

FBIS

DAILY REPORT

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SPOKESMAN DISCUSSES ALFONSIN TRIPS, ISSUES

PY032220 Buenos Aires BUENOS AIRES HERALD in English 3 Aug 86 p 15

[Text] (NA-DYN) -- President Raul Alfonsin will travel next week to Colombia and Mexico, where he is expected to meet with other members of the "Group of Six," formed by the heads of government of Mexico, Greece, Sweden, Tanzania, India and Argentina. They will presumably prepare a joint statement calling for nuclear disarmament and a ban on further nuclear tests.

According to presidential aid Aldo Tessio, Alfonsin will suggest the creation of a permanent committee of the Group of Six based in New York or Geneva, with one delegate for each nation.

In reference to Argentina's position, Tessio anticipated that Alfonsin will insist on the de-militarization of the South Atlantic, including British bases on the Malvinas Islands. The presence of US troops in Bolivia and the proposed military aid to Nicaragua's Contra rebels will also be discussed.

Tessio added that in previous messages to the superpowers "(Soviet leader Mikhail) Gorbachev gave a satisfactory answer while (US President Ronald) Reagan showed a certain degree of indifference."

Alfonsin and Mexican President Miguel de la Madrid will also discuss the possibility of Mexico's inclusion in the integration accords signed between Brazil and Argentina. On his way back from Mexico, Alfonsin will stop at Bogota in order to hold talks with incoming Colombian President-elect Virgilio Barco Vargas and outgoing President Belisario Betancur.

The President will leave next Tuesday and will return by Friday. Foreign Minister Dante Caputo, five senators and five deputies, together with other government officials and presidential aides, will join the delegation.

ALFONSIN CRITICISM OF ANTIDRUG DRIVE DENIED

PY010354 Buenos Aires TELAM in Spanish 1924 GMT 31 Jul 86

[Text] Buenos Aires, 31 Jul (TELAM) -- Under Secretary for Latin American Affairs Raul Alconada Sempe has denied a statement from La Paz attributed to Bolivian Vice President Jaime Paz Zamora, who said that President Raul Alfonsin had allegedly stated his disagreement with the presence of U.S. troops in Bolivia to control against drug trafficking. According to Alconada Sempe, the Argentine president voiced his concern over drug trafficking during a meeting on 26 July, which was attended by various Latin American politicians. He stated the need to combat this problem with all legal means at hand. According to Alconada Sempe, Alfonsin said, referring to the specific case of Bolivia, that he had no objections and voiced his support for forming a Latin American economic fund to combat the marketing of the drug and the drug traffickers' activities.

U.S. GRAIN DECISION 'BLOW TO ARGENTINE ECONOMY'

PY032235 Buenos Aires BUENOS AIRES HERALD in English 3 Aug 86 p 15

[Text] (NA-DYN) -- Agriculture Secretary Lucio Recca said yesterday that Argentina will lose one billion (thousand million) dollars due to the United States decision to subsidize grain exports to China and the Soviet Union, but he added that Japan will not benefit from US grain subsidies.

Recca added that his government will "formally protest" before international forums the US policy of dumping grain surpluses on international markets.

Speaking on Radio Mitre, Recca said that US President Ronald Reagan's decision was taken with the approval of the European Community (EC), and that the measure "worsens the economic confrontation between Argentina and the EC." He also said that the loss of the Soviet market dealt a tough blow on the Argentine economy and its ability to service foreign debt payments, but that the government was reacting by seeking and opening operations in alternative markets such as Japan.

News reports from the United States pointed out that Reagan's decision was taken to alleviate the crisis in the local farm sector, and for electoral purposes. With congressional elections coming up next November, several Republican Party representatives from midwestern rural states are threatened to lose their congressional seats because of the party's inability to deal with the farm crisis.

Reagan's decision is expected to boost Republican candidates and maintain the party's political control of the Senate.

Intransigent Party Deputy Oscar Alende, in turn, said that the United States and the Soviet Union signed the grain accord because they always act on their own self-interest, while "for a long time we've been doing what's best for them, instead of protecting Argentine interests."

He added that "the problem is not (the policies adopted) abroad, but it lies in the Argentine ruling class and its inability to diagnose (Argentina's shortcomings) correctly."

Meanwhile the Radical National Committee issued a statement yesterday condemning the US and EEC for their "perverse" and protectionist economic policies. The document signed by Radical Alternate President Edison Otero and National Committee Secretary (Deputy) Marcelo Stubrin also stated that despite the current world agricultural crisis, the government "will continue its efforts to modernize the agricultural productive apparatus."

Deputy Jose Luis Manzano (Renewal Peronist-Mendoza) also blasted US subsidies saying that they were signs of US "Imperialism... They want us to pay (the foreign debt) but they don't allow us to sell (by taking over Argentina's markets)," he said.

SOURROUILLE, BRAZILIAN MINISTER PRAISE ACCORDS

PY020240 Buenos Aires TELAM in Spanish 0931 GMT 31 Jul 86

[Text] Buenos Aires, 31 (TELAM) -- Argentine Economy Minister Juan Sourrouille and his Brazilian counterpart Dilson Funaro have agreed that the accords signed by the two nations will promote an integration process that will help improve the industrial capacity of both countries. Sourrouille said that the basic objective of the accords is to share the benefits of progress, adding that the only way to share them will be to courageously assume some risks, which will nevertheless be compensated for by the advantages of integration.

For his part, Funaro said: I am sure these accords will promote integration and strengthen economic growth in both countries.

The two ministers, who made these statements during the "To Grow Together" program on Channel 11 last night, said they have confidence in the results of the integration process.

Sourrouille stressed that the accords will allow the two countries to share the benefits of progress. Funaro remarked that if our combined growth will help us create new jobs, improve our standard of living, and let our business sector grow, then this is the path that we have to follow.

Sourrouille said: "We are trying to build a new country and we all find it interesting that a new generation of Argentines who think of a different world and who forget [words indistinct]."

For his part, Funaro said that the countries which seek integration and combined growth improve their bargaining capacity, not only in their negotiations over specific issues, but with the international financial system as well.

Funaro added that the accords will help strengthen the democratic processes and the economy of the two countries. He said that the accords were signed to let businessmen expand their operations and participate in the growth of the economy, because the accords do not seek to replace industries, but quite the contrary.

Communist Leader Denounces Agreement

PY021925 Buenos Aires DYN in Spanish 1416 GMT 2 Aug 86

[Text] Buenos Aires, 2 Aug (DYN) -- Communist Party Secretary General Athos Fava has denounced the Argentine-Brazilian integration agreement which he said "embraces the interests of the great transnational monopolies, to the detriment of the workers and of the two countries' peoples."

In remarks made yesterday, Fava said: "The agreement that was just signed will favor the imperialist enterprises that prevail in the two countries, and the great local economic and financial groups that are linked to them."

He said that the agreement will attract sectors of medium-sized companies with the "illusion that they will receive some crumbs, but for our workers it will only bring more unemployment and salary adjustments with the purpose of achieving more competitive conditions.

After stating that integration is an objective need for the development of the region, provided that it decisively faces the foreign debt issue and the deterioration of terms of trade, Fava concluded by saying that "a common initiative among the peoples, the workers, and the imperialist forces of the two countries should be implemented to establish a joint position against this integration project, which has been taken over by the multinational companies and their local partners."

FOREIGN MINISTER DENIES CABINET CRISIS

PY021550 La Paz La Red Panamericana in Spanish 1130 GMT 2 Aug 86

[Excerpt] Foreign Minister Guillermo Bedregal Gutierrez has reported that the president of the republic has confirmed all ministers in their posts, thus expressing confidence in his advisers. The foreign minister made this statement at Government Palace following an unexpected Cabinet meeting called by the president on Friday.

[Begin recording] [Bedregal] The president of the republic had the honor of calling for this Cabinet meeting, first of all to confirm his confidence in the entire ministerial cabinet. We are very honored by his decision. This of course gives us greater responsibility and a task much more difficult than we had before.

[Reporter] Is this meeting the result of some crisis?

[Bedregal] I do not think so. There is no crisis. Your question is the result of mere speculation, speculation by those who want a crisis in the government. There is no crisis. We made a general analysis of the situation in the country. Some problems have already been solved and others are still pending. [end recording] [passage omitted]

GOVERNMENT SAYS 'NO MEETING PLANNED' WITH CHILE

PY011439 La Paz La Red Panamericana in Spanish 1130 GMT 1 Aug 86

[Text] The Foreign Ministry has stated in a communique that no meeting has been planned with the Chilean Government. The communique states, however, that the Bolivian and Chilean foreign ministers could meet in Bogota as a result of informal, personal initiatives.

In the meantime, Consul General Jorge Siles Salinas, who returned to La Paz after meeting with Chilean President Augusto Pinochet, has remained silent.

The communique seeks to reply to a wave of protests prompted by reports that the Paz Estenssoro administration is possibly promoting rapprochement with the Chilean Government, which is at the center of international criticism.

Bolivia is seeking to solve a century-old problem stemming from the loss of its Pacific coastline during the 1879 war with Chile, but the Bolivian Foreign Ministry has not negotiated a meeting in Bogota with Chile, even with Colombia's mediation.

The Chilean and Bolivian foreign ministers will attend the inauguration of Colombian President-elect Virgilio Barco Vargas on 7 August in Bogota.

Consul Seeks Solutions

PY021641 La Paz La Red Panamericana in Spanish 1130 GMT 2 Aug 86

[Text] Bolivian Consul in Santiago Jorge Siles Salinas has stated that Bolivia and Chile must seek new formulas to resume diplomatic relations. He added that the territorial compensations issue has become the focal point of bilateral talks. For this very reason, the foreign ministers must try to solve fundamental problems and prepare new formulas to reach an agreement. It has also been reported that the Bolivian and Chilean railroad companies have agreed to review the document that will facilitate an integrated traffic system.

Carlos Delmonte, general manager of the National Railway Enterprise [ENFE], has stated that at a meeting with his Chilean counterpart they studied the possibility of establishing an integrated railroad traffic system. At that meeting they discussed the slowness of the system and the lack of payments for freight between Arica and La Paz. The Bolivian representative stated at the meeting that ENFE does not participate in the Center of Information and Coordination of the integrated traffic system. The two representatives have agreed to outline the strategy to be adopted and to obtain the approval of their respective governments.

DEFENSE MINISTER SEES DESTABILIZATION PLAN

PY020219 La Paz La Red Panamericana in Spanish 0000 GMT 2 Aug 86

[Text] Defense Minister Luis Fernando Valle stated today that there is a plan to destabilize the government. The defense minister stated that certain sectors are definitely preparing a subversive plan. He said that this plan began with an illegal consultation.

Minister Valle added that the Armed Forces are not participating, nor have they participated, in the preparation and implementation of the joint antidrug operations being carried out by special Bolivian police and U.S. troops. The defense minister justified the fact that the Armed Forces are not participating in the antidrug operation by stating that the Bolivian police do not have the necessary means to fight alone against this calamity that is affecting mankind.

Lechin Oquendo Remarks

PY021620 Paris AFP in Spanish 1348 GMT 2 Aug 86

[Text] La Paz, 2 Aug (AFP) -- Bolivian Labor Confederation [COB] leader Juan Lechin Oquendo today described a document that accuses the COB of conspiratorial intentions as a crude official maneuver. Defense Minister Fernando Valle charged yesterday that a conspiracy to overthrow President Paz Estenssoro began on 25 July 1986 when the COB conducted a popular consultation on tax reform and the payment of the foreign debt.

Lechin said that Valle should ask General Luis Garcia Meza, former de facto president in 1980-81, about conspiratorial methods since the defense minister served under Garcia Meza as interventionist of the Greater University of San Andres in La Paz. The COB leader added that Valle was a defender of mining businessman Miguel Orlandini, who a few months ago was accused of smuggling minerals and removing foreign currency from the country.

PEASANTS PLEDGE TO FIGHT FOR COCA PLANTATIONS

PY010342 Madrid EFE in Spanish 0840 GMT 31 Jul 86

[By Erick Torrico]

[Excerpt] La Paz, 31 Jul (EFE) -- Coca farmers today reasserted that they are determined to defend "with their lives" their coca plantations against the possibility that Bolivian and U.S. antinarcotics forces might try to destroy them. In this regard, a preliminary announcement was released on 30 July by farmers in Chapare, a tropical zone in Cochabamba Department, 400 km east of La Paz.

Agreement by other sectors did not take long, and the Confederation of Bolivian Settlers today in a document signed by its top leaders declared an "emergency" and a "mobilization" of its ranks to preserve the coca plantations.

The document adds that the antinarcotics groups will use poison to eradicate the coca plantations was expressed after joint operations began in the jungle areas of Beni north of Cochabamba Department, on 16 July. Government sources denied that the specialized troops would use herbicides, but apparently that statement was not convincing.

According to reports gathered by EFE, there are approximately 30,000 families growing coca in Bolivia. These families are distributed in Yungas (La Paz), Chapare (Cochabamba), and in some places in Beni and Santa Cruz departments. The peasants' opposition is based on the fact that after the destruction of the coca plantations nearly 120,000 people will be forced to face an unpleasant future.
[passage omitted.]

MINISTER SAYS CAMPAIGN NOT AGAINST COCA GROWERS

PY011641 La Paz Red Panamericana in Spanish 0000 GMT 1 Aug 86

[Text] Agriculture Minister Edil Sandoval Moron has told Panamericana that the agreements reached to combat drug trafficking do not encompass the destruction of coca leaves. He said that the struggle is against drug manufacturers and traffickers.

[Begin Sandoval recording] As I understand it, this antidrug operation is exclusively against drug traffickers and manufacturers. The interior minister said that the repression is not against coca producers in the country, and I reasserted this during a trip I made to the countryside. On the contrary, we will try to achieve a solution to the production and processing of coca leaves within the framework of an agricultural development policy.

This is, for example, the problem in Chapare, where we believe the only solution is to establish a development program that will offer local peasants the possibility of participating in the commercialization and processing of their products. [end recording]

There is also an old project to replace coca growing and to establish a development program in Chapare, but it has not made great progress since it was abandoned some time ago. In this regard, the agriculture minister said:

[Begin Sandoval recording] People have been talking about this development project for many years, but I believe that because of the present repression against drug trafficking, now is the proper time to achieve a definitive solution to the problem and establish this development project. Perhaps one of the reasons this project has been postponed is because of the state of the Cochabamba-Yapacani Road, where in many areas it is impassable because its bridges are in disrepair. I believe that the government is negotiating international credits to continue the work on this important road, which will be the lifeline for this development project. [end recording]

MNR LEADER SCORES PRESIDENT, FOUNDS PARTY

PY010352 Paris AFP in Spanish 1434 GMT 31 Jul 86

[Text] La Paz, 31 Jul (AFP) -- The governing National Revolutionary Movement (MNR) has suffered a serious division with the resignation of Luis Sandoval Moron, party leader in Santa Cruz (1,000 km east from La Paz), who accused President Victor Paz Estenssoro of having betrayed all the MNR principles, programs, and guidelines.

In comments to the media, Sandoval Moron, who on various occasions was a member of Congress, protested the presence of U.S. troops in Bolivia with the excuse of struggling against drug trafficking.

He added that there is an attempt to forget that the leader of the Nationalist Democratic Action (ADN), General Hugh Banzer Suarez, was the main beneficiary of drug trafficking, which was organized during his administration (1971-1978). Sandoval then stated that Banzer and Paz Estenssoro have established a cogovernment, thus distorting the essence of the MNR doctrine.

He recalled that the MNR was created to defend national sovereignty and the workers, as well as the state owned enterprises, but that now a foreign intervention is promoted, the workers are repressed and the destruction of the state-owned enterprises is encouraged.

Sandoval announced that he has decided to found the Popular National Revolutionary Movement of the Left [MNR Popular de Izquierda Nacional], through which he intends to advocate a joint struggle with the remaining progressive forces of the country.

GOVERNMENT TO SEEK MORE U.S. ANTIDRUG AID

PY010345 Paris AFP in Spanish 2249 GMT 31 Jul 86

[Text] La Paz, 31 Jul (AFP) -- Foreign Minister Guillermo Bedregal today announced here that Bolivia will ask the U.S. Government for increased financial support to combat drug trafficking and cope with the economic crisis. The foreign minister stated that this request will be included in a letter President Victor Paz Estenssoro will soon send to his U.S. counterpart, Ronald Reagan.

Bedregal added that the time is ripe to seriously propose such assistance because we cannot restrict ourselves to merely a police operation. Such assistance must have enough strength to last.

In conclusion, Bedregal stressed that during the upcoming international meeting in Bogota, at the inauguration of Colombian President-elect Virgilio Barco, he will propose a foreign ministers' meeting to discuss drug trafficking and regional measures to combat it.

RESULTS OF ANTIDRUG OPERATIONS REPORTED

PY010354 La Paz La Red Panamericana in Spanish 0000 GMT 1 Aug 86

[Text] We are now going to read the latest communique issued by the Interior Ministry on the joint U.S.-Bolivian antidrug operation. Another cocaine laboratory was found today during a mission by a patrol group east of the Yacuma Province, El Beni Department. The laboratory had been abandoned.

The report released by the National Police Command provides details on the operation conducted early today by the Rural Patrol Unit and U.S. logistical support based on information gathered previously.

The laboratory was found near the Caimanes River. It had been abandoned for some time, although a large Soviet-made electricity generator and a cocaine pressing machine were still there.

The operations carried out in the Chapare region have had positive results. In the San Isidro zone, a cocaine-base factory was found and 800 grams of that product were seized. No arrests were made because the traffickers, warned of the arrival of the policemen by the noise of the helicopters' engines, fled.

In the Lauca and Rivera zones, on the Chapare River, five other factories were found; three in the first zone, and two in the latter. Another patrol operation was carried out in the jungle in the Puerto Aurora, where a Bolivian Air Force Lama helicopter detected a solar battery charger, a large quantity of absorbent papers, and plastic bags with cocaine residue. They were apparently abandoned by escaping criminals. All seized material was burned.

In (Sinahota), 1700 grams of basic cocaine sulfate was seized this morning, inside a temporary hut. No detentions were made here either.

GOVERNMENT ISSUES NEW FINANCIAL LAW

PY012329 Madrid EFE in Spanish 1510 GMT 31 Jul 86

[Text] La Paz, 31 Jul (EFE) -- The Bolivian Government today took a step forward in the restructuring of its national economic system by approving a new financial law that regulates both domestic and foreign resources, as well as the activities of government officials.

Finance Minister Juan Cariaga has said that the law will support development and investment projects and that it controls public spending with the objective of reducing the fiscal deficit.

According to an official of the National Economic Stabilization and Reactivation Council, the top-ranking organization in charge of economic affairs, this law is a priority within the framework of the reorganization process of the government apparatus and of the economy which the government began to implement in August 1985.

The financial law regulates, among other things, construction contracts and the purchase of property. The new law defines the rights and obligations of public servants who are urged by the government to undertake a joint action so as to overcome the economic crisis.

The law also regulates the establishment of commissions in charge of different studies of national interest, trips of official missions abroad, and the use of government vehicles.

GOVERNMENT DECLARES AIRLINE STRIKE ILLEGAL

PY011621 La Paz La Red Panamericana in Spanish 1130 GMT 1 Aug 86

[Excerpt] The Labor Ministry has declared illegal the strike called by the workers of the Lloyd Bolivian Airline (LAB) after failing to promote a conciliatory meeting between LAB management and labor representatives. [passage omitted]

SARNEY CANCELS AGENDA; HEALTH PROBLEMS DENIED

PY040103 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 86 p 5

[Excerpt] Brasilia -- On 1 August President Jose Sarney canceled all his meetings at Planalto Palace and stayed at the Alvorada Palace, where he has his official residence. This decision surprised even his closest aides. The president's decision may have been prompted by the worsening of his tendinitis (calcification of the left elbow). However, presidential spokesman Fernando Cesar Mesquita denied that this was the reason. Mesquita said it was "a personal decision" that can be attributed to the weariness caused by the 3-day trip to Argentina. The president has been affected by tendinitis for years. [passage omitted]

EDITORIAL VIEWS DEBT PAYMENT REDUCTION PLAN

PY020148 Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 Jul 86 p 2

[Editorial: "Options for the Debt"]

[Text] The idea of reducing foreign debt payment to about 2 or 2.5 percent of the GNP (from the current level which stands at 3.8 percent), as announced by Finance Minister Dilson Funaro, deserves some comment. From a political viewpoint, it is significant that the announcement was made at a moment when Brazil is in a comfortable position to ask for more flexible terms, because our country has repaid its overdue obligations and has chosen to deal directly with its creditors without IMF support. In fact, our economy should continue to grow despite the setbacks that can hamper this process, such as a drop in investments. During the 1970's, investments surpassed 25 percent of the GNP. Now they stand at 15 percent. If the payments on the interest remain at their current level, about 4 percent of the GNP, it will be very difficult to increase investments.

Nevertheless, two observations must be made in connection with the reduction announced by Funaro. First, no one in Brazil will even consider breaking relations with the international financial system. Therefore, it is necessary to couple this idea of lower payments with realistic negotiations. Second, Brazil's own economic growth will automatically reduce the GNP percentage mentioned by the minister. In fact, if one assumes that the total debt remains unchanged, the GNP growth will reduce the percentage, even if the interests do not change.

It would also be opportune to negotiate the spread [preceding word in English] that Brazil pays in addition to the interest rate. Spreads and commissions account for 3 percent of the debt, and it is worth noting that this percentage is equivalent to that of the years in which international interest rates were at their highest. As a matter of fact, when interests stood at 21 percent, the spread and commissions accounted for barely 1/7 of that total. Today they account for almost 50 percent of interest rates, which have dropped to about 7 percent.

Thus, the finance minister's offensive is justified. Yet one must take into account that negotiations should not deal only with spreads and commissions. Negotiations could propose alternatives for longer terms and there are many possibilities in this regard. Never before has Brazil been in such a comfortable position to insist on such proposals. For example, part of the interests might be capitalized and thus be repaid at a time when new investments reach their productive phase, making such payments less painful to the Brazilian economy. It is also possible to transform part of the contracted loans into risk capital, offering creditors a share in domestic investments. In this regard, the recently created National Development Fund, in which foreign capital is allowed to participate, is a good opportunity.

These alternatives must be seriously analyzed and, despite the fact that they deal with only one aspect of the debt problem, the firm remarks by Minister Funaro can serve to bring negotiations closer to our economic reality.

MINISTER SAYS UNILATERAL DECISIONS 'CLUMSY'

PY020202 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Aug 86 p 34

[Text] The Brazilian Government's intention to reduce the servicing of the foreign debt to 2.5 percent of the GDP will be made known to the creditor banks in the next round of negotiations scheduled for September, Finance Minister Dilson Funaro announced yesterday. He affirmed that "the time has come" to review some aspects of the debt negotiations, such as the payment of high spreads in connection with long terms. Funaro believes that apportioning more than 2.5 percent of the GDP to service the foreign debt is incompatible with the government's intention to have the economy grow at 7-8 percent per year. He pointed out however, that this position does not mean that negotiations will be disregarded and added that unilateral decisions are "clumsy."

He then explained: "When Brazil is approaching negotiations, it cannot firm up a position prior to reaching an understanding. A position taken unilaterally would reveal clumsiness, because we have to negotiate. The 2.5 percent is a target that will guarantee both Brazil and the international financial community that our growth will back our decision to honor our commitments, without hindering the country's development." He compared the approach of the previous governments, which "paid attention to foreign policy first and then to our economy," with the approach of the current government, which "has a growth target to serve as a basis for negotiating the foreign debt."

Regarding relations with the IMF, Funaro noted the government's position to coexist as the IMF does with Italy and France, "without negotiating items of our economic policy." He then made it clear that Brazil does not accept specific agreements with the IMF nor the monitoring of our economy by the IMF, complying only with Article 4 of the institution's statute, as do other countries. Under that article, the IMF can send missions to the debtor countries once a year, to review the accounts and examine the performance of the economy.

Further on IMF, Argentina

PY011630 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT
1 Aug 86

[Excerpt] [passage omitted] Concerning the opinion of U.S. Federal Reserve Bank President Paul Volcker, who has suggested that the IMF should again monitor Brazilian economic policies, Finance Minister Dilson Funaro has said that Brazil is simply a member of the IMF through Article 4, just like the United States and France. In the case of those two countries, the IMF just gathers information without discussing the policies that those countries should adopt. Minister Funaro added that Brazil is not asking the IMF for further loans or asking that it replace its reserves.

Regarding the bilateral agreement between Brazil and Argentina, the finance minister said that a certain period of time is required before the implementation of the measures signed in Buenos Aires by Presidents Raul Alfonsin and Jose Sarney, but he said that the agreement will be registered with ALADI. According to the agreement, the customs tariffs on certain products will immediately be reduced to zero, thus allowing the two nations' agricultural products to complement each other since Argentina and Brazil have different climates and harvest at different times of the year.

CHANGES MADE IN HIGHER MILITARY COMMANDS

PY020222 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 1 Aug 86

[Text] President Jose Sarney has signed a decree by which Admiral Jose Maria do Amaral, chief of the Armed Forces General Staff [EMFA], and General Ivan de Souza Mendes, chief of the National Intelligence Service [SNI], will be retired. There will be no change in the SNI, but in the case of EMFA there are legal provisions forbidding a retired officer to occupy the position of chief. Admiral Amaral will probably be replaced by General Paulo Campos Paiva, former military commander in the south.

New Army generals have been appointed to the following positions: (Harry Alberto Shardof) will be chief of the Army Teaching and Research Department, Diogo de Oliveira Figueiredo will be chief of the War Material Department; and Athos Cesar Batista Teixeira will be chief of the Engineering and Communications Department.

Meanwhile, the new Division Generals Antonio Luis Rocha (Deneu), Antonio Paiva Chaves, and Inaldo Seabra Noronha will head the Directorate of Specialization, the Directorate of Mechanization, and the Directorate of Training, respectively.

SOVIET SIGNALS REPORTEDLY AFFECT HAM RADIO BANDS

PY021404 Sao Paulo VEJA in Portuguese 23 Jul 86 p 43

[From the "Radar" page]

[Text] Brazilian installations tracking clandestine transmissions are trying to identify a strange and strong intermittent signal that has been interfering with ham radio bands throughout the country. According to Dentel [National Telecommunications Department] equipment, the signal comes from the Asian region of the Soviet Union near the border with Afghanistan.

Dentel has already asked for the help of U.S. Government experts to determine the origin of the interference, which is believed to be caused by very strong radar signals. The problem has not yet been solved.

FOREIGN MINISTRY COMMUNIQUE ON ABRAMS REMARKS

PY012348 Santiago Domestic Service in Spanish 2310 GMT 1 Aug 86

[Text] The Chilean Government has conveyed to the U.S. Government its displeasure over recent remarks of U.S. Assistant Secretary of State for Inter-American Affairs Elliott Abrams. Jaime Herrera, acting director general for foreign policy of the Chilean Foreign Ministry, this afternoon commented on the note that Foreign Minister Jaime del Valle delivered to the U.S. ambassador.

[Begin Herrera recording] On instructions issued by the minister of foreign relations I will read the following press release to you:

At 1730 local time today I received U.S. Ambassador Harry Barnes to whom I handed a diplomatic note conveying the profound displeasure of the Chilean Government over the remarks which Mr Elliott Abrams, U.S. assistant secretary of state for inter-American affairs, made at the International Banking Organizations Subcommittee of the U.S. House of Representatives on 30 July. In addition to the note, I verbally conveyed our desire to avoid this type of situation, which does nothing to enhance the atmosphere of positive understanding, which we want to maintain with the U.S. Government. [end recording]

Abrams said in Washington that credits to Chile should be restricted, taking into account the status of human rights and of the progress toward full democracy in Chile.

Businessmen Lobby Congress

PY021726 Santiago Domestic Service in Spanish 1100 GMT 2 Aug 86

[Text] Chilean production and industrial organizations have joined a campaign to send telegrams to U.S. congressmen to oppose maneuvers to block international loans to Chile. The plan has already been approved by the Production and Commerce Confederation, headed by Manuel Feliu, and the Industrial Development Association, which is organizing the campaign. The Chilean Construction Chamber, headed by (Jorge Bronfman), will soon join the campaign, according to an announcement by its leader. In Washington, Congressman Michael Barnes is lobbying for an amendment obligating U.S. representatives to the World Bank and the IDB to vote against new credits to Chile.

The Sofofa has already sent a telex to members of the U.S. House of Representatives Banking Committee, telling them that voting against credits to Chile harms all the people, particularly the poorest. The telex adds that this measure counters the efforts of 12 million Chileans to continue the process established in the Constitution to reach full democracy in 1989, despite strong Marxist opposition.

In turn, the Production and Commerce Confederation, headed by Manuel Feliu and including all the branches of production, trade, and finance of the country, has also sent a [word indistinct] letter. It says that voting against credits to Chile will make our transition to democracy more difficult and will only contribute to [words indistinct] because of such restriction on our economy. The letter adds that the results would lower the standard of living of the Chilean people. We strongly oppose these measures, and we ask you not to support them.

EEC ASKS GOVERNMENT TO RETURN TO DEMOCRACY

PY011737 Buenos Aires Domestic Service in Spanish 1600 GMT 31 Jul 86

[Relay from Santiago Radio Cooperative by Jose Luis Levingston]

[Text] British Ambassador John Hickman, in his capacity as representative of the EEC in Chile, today urged the Chilean Government to promptly adopt measures designed to restore democracy in an orderly manner and to initiate a dialogue with the democratic opposition.

The British ambassador held a 30-minute meeting with Foreign Minister Jaime del Valle in the Red Hall at the Foreign Ministry.

Hickman said that he told the foreign minister of the EEC's deep regret at the deaths and damage that resulted from the demonstrations of 2-3 July in Chile and that it condemns violence, no matter its origin. The EEC, he said, believes and hopes that the Chilean authorities will clarify and make public all the details of the tragic cases of Rodrigo Rojas Denegri and Carmen Gloria Quintana.

When the ambassador was asked whether his statement represented intervention in Chilean domestic affairs, he replied: I do not think so because the main purpose of diplomacy is for one government to explain to another its opinions and points of view. This does not, therefore, represent intervention. Intervention means something else, it is something much more direct.

The ambassador was then asked whether he considered the steps established by the Chilean Constitution to be insufficient for a return to democracy. Ambassador Hickman answered: I am not going to make any further comments on this occasion. You will receive a copy of my statement.

This is all we can tell you from Radio Cooperative in Santiago, for Radio Nacional of Buenos Aires.

Receipt of EEC Request Denied

PY020127 Madrid EFE in Spanish 0042 GMT 2 Aug 86

[Text] Santiago, 1 Aug (EFE) -- Foreign Minister Jaime del Valle today denied that a representative of the EEC has conveyed to him that community's desire to see a prompt return to democracy in Chile.

When asked about the remarks of UK Ambassador John Hickman, who contends that during his meeting with the foreign minister today he urged the Chilean regime on behalf of the EEC, presided over by the United Kingdom, to "promptly adopt measures designed to restore democracy in an orderly manner and to initiate a dialogue with the democratic opposition," Del Valle stated that "he told me no such thing and the subject was not mentioned."

When local journalists questioned Del Valle, the Chilean minister explained that Ambassador Hickman went to the Foreign Ministry to greet him after a 1-month absence from Chile.

The minister added that during his visit, the ambassador, "without reading any statement, commented on the concern that the EEC feels over the course that Chile is following toward full democracy."

According to Del Valle, the ambassador "did not read any document, nor did he leave any with me. He simply listed briefly the items over which the EEC is concerned, items which are practically the same as always."

As far as Minister del Valle is concerned, "we are not greatly interested in any calls made upon us because we have a clearly established timetable and a course of action, and the calls that any given country may make are neither here nor there as far as we are concerned."

The foreign minister added that "they are free to make calls if they want to. Our answer to them is that we have a course of action set; it is our sovereign right to follow it, and other countries have no business meddling in how or when we act."

Asked whether Ambassador Hickman's statement implied interference in Chile's domestic affairs, the foreign minister said: "The nature of my meeting with the ambassador did not in the least imply any interference."

COURT UPHOLDS INDICTMENTS OF ANC LEADERS

PY010340 Madrid EFE in Spanish 0151 GMT 1 Aug 86

[Text] Santiago, 31 Jul (EFE) -- The appellate court today confirmed that 13 out of the 14 top leaders of the opposition National Civic Assembly [ANC] organization, who have been imprisoned for more than 3 weeks, will remain indicted. The court did not discuss the appeal of the indictment of Eduardo Valencia, a representative for poor neighborhood inhabitants.

The appellate court today refused to hear an appeal of the indictments of the ANC leaders and ruled that ANC President Dr Juan Luis Gonzales and 12 other members of the national executive board of that opposition organization must remain indicted as presumed perpetrators of three violations of state security law. These crimes involve meeting for the purpose of overthrowing the government or attacking its stability, calling unauthorized public rallies, and calling a general strike. The court cancelled indictments regarding three other crimes related to public order disruptions.

The 14 top leaders of the ANC are in jail and are being tried on a petition filed by the military government for having committed the crimes of sponsoring and calling a general strike for 2 and 3 July.

The ANC, which was created in April 1986, represents the largest group of social, trade union, and labor opposition organizations that has emerged in Chile since the military coup on 11 September 1973.

The ANC is supported by political parties, both rightwing and leftwing, including the Marxists, and its goal is to strongly practice civil disobedience until the regime of General Augusto Pinochet is forced to give way to a democratic system.

At this moment, however, with its top leaders in prison and an acting national executive board studying the strategy to be pursued in the future, the ANC has not sponsored any important actions since the general strike was held 1 month ago.

Jailed Leaders Write Presidents

PY030310 Madrid EFE in Spanish 1605 GMT 2 Aug 86

[Text] Santiago, 2 Aug (EFE) -- The 14 top leaders of the ANC today sent letters to Argentine President Raul Alfonsin, Brazilian President Jose Sarney, and Uruguayan President Julio Maria Sanguinetti. They told the three presidents that "very soon Chile will join the group of free nations."

The letters are signed by all detained ANC leaders, including ANC President Jua Luis Gonzales, who is also president of the Chilean Federation of Professionals and of the Chilean Medical Association. The letters said: "From the jails of the military dictatorship we want to express to you our gratitude for the solidarity your governments and the main social and political organizations of your countries have conveyed for our struggle to restore democracy in Chile."

The ANC leaders added: "Our unjust imprisonment symbolizes the expressed intention of the current regime to perpetuate itself in office until the end of this century. This is not only a tragedy for the Chilean people, but also a stumbling block for the consolidation of democracy in South America." The ANC leaders concluded by stating that the Chilean people "will remember and will be grateful" for the "democratic commitment" of the presidents and peoples of Argentina, Brazil, and Uruguay.

UNIDENTIFIED PERSONS SHOOT AT OSORNO BISHOP

PY021545 Paris AFP in Spanish 1417 GMT 2 Aug 86

[Text] Osorno, Chile, 2 Aug (AFP) -- Some unidentified individuals last night fired at Msgr Miguel Caviedes Medina, bishop of the city of Osorno in southern Chile. The bishop was not hit. Caviedes was in his residence when a single bullet passed close to him after going through two wooden screens. The bullet was stopped by a brick and cement wall.

The prelate, 56 years old, said that the Carabineros believe that a large-caliber weapon was used and that the shot was fired from a plaza in front of the house. A nun and a student, living in the same house, heard the shot and the noise of a car that immediately drove off at high speed.

Two days ago Caviedes publicly supported a petition by Cardinal Francisco Fresno that the courts thoroughly investigate the case of two young opponents of President Augusto Pinochet's military regime who were burned alive by an Army patrol according to eyewitness reports.

Someone might be annoyed with me for supporting the cardinal, and that could be the reason for the attack, said the bishop of Osorno, 975 km south of Santiago. The situation in the country is getting steadily worse. Caviedes recalled a recent call by the Chilean Bishops Conference for pacification and said that political terrorism is one of the causes of the violence denounced by Catholic churchmen.

The bishop said: The situation is becoming polarized, and many people see violence as the only solution, while in truth, violence is precisely the nonsolution. He added: People do not listen to the bishops who speak calmly and for the good of Chile, and when the pastors are not listened to, the result is clear: this country is destroying itself. He concluded by stressing that the spiraling violence must be stopped.

BETANCUR'S CABINET TENDERS RESIGNATION

PA011429 Paris AFP in Spanish 1413 GMT 1 Aug 86

[Text] Bogota, 1 Aug (AFP) -- Conservative President Belisario Betancur's 13 Cabinet members tendered their resignations today in a traditional act of protocol that serves as the prologue to the conclusion of his period as head of state. According to the information provided by the public health minister, the Cabinet's joint letter was presented to President Betancur at the last council of ministers of the present administration, which concludes its period in office on 7 August.

BARCO SAYS NEW GOVERNMENT WILL NOT BE SHARED

PA030339 Bogota EL TIEMPO in Spanish 30 Jul 86 p 2-b

[Excerpts] President-elect Virgilio Barco yesterday announced that the administration will not be distributed in political or group shares; it will be one administration. Barco made this statement before hundreds of party leaders at the Liberal Party National Directorate, where he received an immediate action plan for Bogota.

Barco said his government would be one "of big changes" and once again requested the active and permanent presence of the members of the Liberal Party and the people in general in political activity. "I will promote change with determination, without truce or rest," Barco told the leaders who were responsible for his campaign in Bogota. [passage omitted] "Today I have come here to reiterate what I said on many occasions during the campaign, because there is no difference between the candidate and the man who will be president. We will face difficulties, there will be setbacks, misunderstandings, as well as the overt or covert actions of the recalcitrant groups. But I know that you will accompany the new government, explain and spread its actions, and understand that the path ahead will not be an easy one." [passage omitted]

FORCES UNCOVER PLOT TO SABOTAGE INAUGURATION

PA031916 Madrid EFE in Spanish 2010 GMT 2 Aug 86

[Text] Bogota, 2 Aug (EFE) -- The authorities have reported that Colombia's secret services recently discovered a guerrilla plan to sabotage the inauguration of President-Elect Virgilio Barco Vargas on 7 August.

Army General Command Augusto Moreno Guerrero said that the country's military and police intelligence forces captured 27 rebels in Bogota and several others in Cali and seized weapons from them.

Moreno Guerrero said that after the operations in Bogota and Cali, "the authorities were able to discover a widespread plan that the subversives were planning" for 7 August to sabotage the inauguration.

On 7 August Barco Vargas will assume office, replacing Belisario Betancur. The inaugural activities will be attended by 8 presidents and chiefs of state of Latin America, as well as by delegations from more than 60 countries.

"We have made efforts to prevent actions by subversives and terrorists," Gen Moreno Guerrero said, adding that the military and police operations that are being carried out, "day and night, will continue until after 7 August." The top military officer said that the military forces, the police, and the intelligence services "can guarantee the integrity of all the people and the chiefs of states who will attend the inauguration of the new president."

An M-19 supply group was dismantled in Bogota in the past few hours. Ten rebels were captured and M-19 weapons and documents were seized as a result of this operation.

General Luis Eduardo Roca, commander of the 13th Army Brigade, headquartered in Bogota, held a news conference at the garrison and said that the M-19 "suffered a new blow" and that 27 rebels captured in the past few days "have been turned over to a military judge."

In Cali, the metropolitan police also captured two insurgents, seized weapons, and foiled plans scheduled for 7 August. The authorities identified the captured guerrillas as Fabio Marino Vargas, alias "Hipolito Blanco," an ideologist and member of the M-19 general staff and of the organization's "Western Regional Office," and Adriana Sandoval Millan, better known as "Marcela," who was in charge of the "people's militias" in the city's poor neighborhoods. The police reported that the rebels were carrying documents on "a vast terrorist plan prepared for the change of government ceremony," as well as weapons and explosives. Last week, the authorities also recovered more than 70 boxes with 25 kg of dynamite each which the M-19 stole from a cement factory near Cali.

According to military sources, the dynamite was to be used to "blow up bridges and public buildings" to cause chaos during the commemoration of the 450th anniversary of the founding of Cali, which was celebrated on 25 July, and also to cause similar chaos to "sabotage the inauguration of the new Colombian president."

BETANCUR DEPLORES MURDER OF JUSTICE BORDA

PA031958 Bogota EL TIEMPO in Spanish 1 Aug 86 p 11 C

[Communique issued by President Belisario Betancur on 31 July]

[Text] The national government and the president of the Republic, deeply affected by the treacherous assassination of Justice Hernando Baquero Borda, express their condolence to his grieving wife, his family, and the judicial branch, including the Supreme Court. They repudiate this action that ratifies the decision of organized crime to destroy the integrity of our institutions and the lives of those who represent them. This morning's terrorist act calls for unanimous action from society and prompt and complete justice in order to stop the plans of violent criminals who are not intimidated and who do not hesitate in the face of the vigilance the state has implemented to protect the lives of the citizens.

The government and the president urge the citizens to overcome the hours of anguish, close ranks, and join efforts in favor of life which the paid assassins of organized crime are trying to destroy. The homeland urges all good citizens to build a wall against crime. The homeland and its good children are stronger than crime and criminals.

Supreme Court Communique

PA031943 Bogota Television Service in Spanish 0100 GMT 3 Aug 86

[Communique issued by the Supreme Court of Justice on the murder of Justice Hernando Baquero Borda; date not given]

[Text] In view of the murderous violence that tries to destabilize the republican institutions that govern us, the court expresses to the country its firm decision to continue fulfilling its duties as it has always done throughout the country's history. The court is waging an unequal struggle that must be compensated with the presence of the state and society, not only through the demonstration of the solidarity which such a difficult task demands, but also by the understanding that the first priority, the most authentic urgent need is to meet the needs of the judicial branch. Nevertheless, the court takes the liberty of stating that it believes that the situation in which it has been placed makes it almost impossible for the court to properly fulfill its legal and constitutional functions. In view of that critical situation and aware that the cruel reality of the actions exceed its resources, which are simply legal and spiritual in nature, leading it to the ultimate limit of its capacity of devotion and sacrifice, the court appeals to the nation so that its resolute support will enable the court to overcome this crisis. The court urges the executive and legislative branches to become fully aware of the very grave crisis in which the unleashed violence has placed it and adopt the necessary and sufficient measures for adequate functioning of the nation's institutions, especially the weakest and most defenseless among them, the judicial branch. There is no effective policy to eradicate the causes of the grave violence that affect it, nor has a serious and convincing effort been undertaken to eliminate them through the deep commitment of all the proper authorities. The court reports to the nation that the judicial branch has had to face its mission practically alone. In none of the reports on peace and violence are the countless number of magistrates, judges, and employees who have fallen while fulfilling their duty included. They are anonymous deaths, innocent victims that the society takes for granted as if that was the inexorable fate of those who make the huge commitment of imparting justice. One cannot ignore the fact that one of the factors that serves as a backdrop to this crisis is the extradition treaty signed with the U.S. Government. It was negotiated by the executive branch and unanimously approved by the Congress. The court has solely had to consider specific cases and to rule on their constitutionality, a task that it has zealously carried out with absolute impartiality and total respect for the rights of individuals. In view of this international agreement and the inconsistent way that it has been interpreted by the executive, the court hopes that the other branches of government will also fulfill their own duties so that any doubts will be dispelled, responsibilities will be established, and tranquillity will clearly prevail. Justice requires such a climate for the proper fulfillment of its functions. To date the court has been a defenseless and isolated victim of the most brutal outrages, the sources of which remain a mystery. It is obviously not enough that the people silently condemn them. Colombian society must do more. This is demanded by the grandeur of the fatherland and the citizens' strength of character.

300 Judges Protest, Resign

PA040148 Bogota EL TIEMPO in Spanish 1 Aug 86 p 11-c

[Text] Approximately 300 judges in Bogota and El Valle resigned en masse yesterday and strongly protested the murder of Hernando Baquero Borda, magistrate of the Supreme court of Justice.

The judges issued communiques to the news media deploring the murder, which occurred yesterday morning, and rejected the inefficacy of the security measures which were adopted by the executive branch to protect those who are in charge of enforcing the law. The 29 civil judges in Bogota announced that all the legal processes were being suspended for an indefinite time and formally presented their resignations, demanding protection, given the abandoned state in which the members of this branch currently find themselves. They demanded thorough investigations to ascertain who is responsible for this and other crimes. Members of the judiciary in El Valle vehemently protested the crimes against them and also presented their formal resignations. Justice Baquero Borda's murder has provoked serious protests throughout the country and prompted the judicial official's decision, which will paralyze at least 12,000 cases. The judges in Bogota issued the following communique: "The civilian judges of the Bogota Circuit, during a meeting held this morning, 31 July 1986, agreed to issue this communique to state:

"A. Our deep feelings of sorrow and bitterness over the murder of Dr Hernando Baquero Borda, magistrate of the Honorable Court of Justice.

"B. Our solidarity with the illustrious dead man's family.

"C. The feeling that we have been abandoned while engaged in our job of enforcing the law, and the deep sense of defenselessness and insecurity concerning the lives of those who have toiled in these unrecognized and disrespected activities, and who are now victims of all kinds of attacks.

"D. Our request that investigations be carried out to clarify these crimes and to punish the culprits, and that a radical and definitive solution be adopted to offer security to all of us, given that the measures which have been adopted so far have proved ineffective.

"E. Given our awareness of the current situation and our lack of proper means to defend ourselves, we have agreed to indefinitely suspend our activities as of this date.

"F. Given the general indifference which prevails, and the increasing number of victims among us, we present a joint resignation from our posts."

DEFENSE MINISTRY ON GUERRILLA SEIZURE OF TOWN

PA011836 Paris AFP in Spanish 1550 GMT 1 Aug 86

[Text] Bogota, 1 Aug (AFP) -- The Defense Ministry has announced in Bogota that the Maoist Popular Liberation Army (EPL) is today holding with fire and blood the agricultural town of Andes (population 60,000). Andes is located in the northwestern Colombian Department of Antioquia. The attack began at 1415 GMT, according to initial reports. Several policemen in a barracks that was caught by surprise were killed. Several banks have been seized, and communications have been cut. The EPL has reportedly announced that this attack is in reprisal for the death last week in Antioquia of the second in the command of the leftist M-19 Movement, Gustavo Arias Londono, alias "Boris." The EPL and the M-19 form part of the so-called National Guerrilla Coordinating Board.

ROK DEPUTY PRIME MINISTER ON OFFICIAL VISIT

PAO21728 Paris AFP in Spanish 1556 GMT 2 Aug 86

[Text] Quito, 2 Aug (AFP) -- Kim Man-je, South Korean deputy prime minister and minister of the Planning Board, arrived in Quito today to begin an official visit that will conclude on 5 August. After visiting his country's embassy, Kim will meet on Monday morning with President Leon Febres Cordero, Vice President Blasco Penaherrera, and Foreign Minister Edgar Teran.

Penaherrera will hold a luncheon in Kim's honor. Kim will meet with the president of the Supreme Court and in the evening will hold a reception in honor of the Ecuadoran vice president.

TERAN DENIES CHARGES ON MILITARY PROJECTS

PAO20321 Quito Voz de los Andes in Spanish 1130 GMT 30 Jul 86

[Text] Jaime Hurtado Gonzalez, national director of the Democratic Popular Movement [MPD], has leveled serious charges against the national government, saying that an institution similar to the School of the Americas would be established in the country to train military personnel. He also charged that the United States would be allowed to install a missile flight control station in the Galapagos and to build a highway in Manabi. These measures assail the national sovereignty. Here is Foreign Minister Edgar Teran on this subject:

[Begin recording] [Teran] I listened to Hurtado's remarks. He also urged the government to make an official statement. It is my fundamental duty as minister of foreign relations to reply to Hurtado's (?accusations). I will do so now. As the entire country knows, for many years, approximately 25 to 30 years, the Ecuadoran and U.S. Armies have customarily held joint maneuvers.

(?On this occasion) the chiefs of the respective Armies have been talking about the possibility of conducting exercises which are not strictly military in nature, but engineering exercises, [word indistinct] building roads, with interesting technological support from the U.S. Army which has very sophisticated equipment. This could serve to build a 30-km highway between two points in Manabi Province; that is, between San Vicente and (Samoa). Clearly, this highway will serve several towns in that province.

Obviously, this initiative may not become a reality. The highway may not be built. No agreement, commitment, or treaty has been signed and the Foreign Ministry has not been involved in this matter. I make this clarification because of the way in which the government has been (?accused) in this matter. For additional information on this matter, please consult the defense minister or the Joint Chiefs of Staff of the Armed Forces, whom I spoke with before making this statement.

[Reporter] Does this mean that you know [words indistinct]?

[Teran] The initiatives on the joint maneuvers, [words indistinct] stem from the sort of relations between the two (?countries). I do not know the details. The Defense Ministry can provide additional details.

[Words indistinct] when President Leon Febres Cordero requested permission from the Tribunal of Constitutional Guarantees to travel to Costa Rica and Honduras, it was mentioned that there was a project to install sophisticated equipment in the Galapagos for "star wars" [guerra de las galaxias] and that installations for the School of the Americas would be built in the eastern zone. All of this is absolutely false. All of this is absolutely false [Teran repeats himself].

There is no initiative to do anything in the Galapagos Islands other than affirm our sovereignty as [words indistinct] sovereignty, proclaiming Ecuador's sovereignty over the territorial waters as the president did a few months ago. As for the School of the Americas, this is such a crass slander. It is worth noting that the School of the Americas for training officers operated in Panama, about a year ago its highly sophisticated and costly installations were moved to the state of Georgia.

An additional element of this slander is to say that the Ecuadoran Government was thinking of [word indistinct] military objectives for any place in the country. It is false, slanderous, and unpatriotic to utter this sort of remark. These are (?my) categorical and final comments on these remarks. I am delivering to the news media the instructions given our ambassador in Madrid regarding something slightly similar to today's remarks, which have been rehashed in a Spanish magazine. [end recording]

BRIEFS

NEW PARAGUAYAN AMBASSADOR -- Esteban Ojeda Saldivar, new Paraguayan ambassador to Ecuador, has presented his credentials to President Leon Febres Cordero. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 1 Aug 86 PA]

LOAN FROM ANDEAN FUND -- In his capacity as honorary witness, Engineer Leon Febres Cordero, Ecuadoran head of state, has signed an agreement involving a \$175-million loan designated by the Andean Reserve Fund to ease the Ecuadoran balance of payments. [Excerpt] [Quito Radio Quito in Spanish 2300 GMT 30 Jul 86 PA]

PRESIDENT GARCIA CANCELS TRIP TO COLOMBIA

PY012001 Paris AFP in Spanish 1940 GMT 1 Aug 86

[Text] Lima, 1 Aug (AFP) -- It was officially reported today in Lima that President Alan Garcia has canceled his trip to Colombia where he was to have attended the inauguration of Colombian President-elect Virgilio Barco. Garcia was scheduled to travel to Bogota on 7 August and return immediately. Senator Luis Alberto Sanchez, first vice president of the Republic, will travel in his place.

Garcia's decision was announced by Leonel Figueroa, president of the National Reserve Bank, who said that Garcia canceled his trip because he is worried about the developments concerning the national economy.

GOVERNMENT EXTENDS STATE OF EMERGENCY IN LIMA

PY011949 Paris AFP in Spanish 1806 GMT 1 Aug 86

[Text] Lima, 1 Aug (AFP) -- The Peruvian Government has issued a decree extending the state of emergency, with the suspension of constitutional guarantees for 30 days, in Lima and in the province of Callao which have been affected by terrorist acts, it was disclosed. The extension is in effect as of today.

As a result the government continues to suspend individual rights, including the right to be protected against trespass, the freedom to choose where to reside, the freedom of assembly, and the right to be detained only through a court order.

This extension was approved by the Council of Ministers subject to a previous report to Congress. According to the Supreme Decree published today by the Official Gazette, the Armed Forces will continue to control internal order in Lima and the neighboring Port of Callao on the Pacific coast.

The measure, which includes a curfew between 0100 and 0500 local time, was decreed by President Alan Garcia on 7 February in view of the wave of attacks, fires, abductions, and power outages that were affecting Lima.

A state of emergency remains in force in 20 provinces of the Departments of Ayacucho, stronghold of the Andean guerrillas, and in Huancavelica, Apurimac, Huanuco, and Pasco, where the Armed Forces are in military and political control.

Emergency Extended in Ayacucho

PY032310 Madrid EFE in Spanish 1624 GMT 3 Aug 86

[Excerpt] Lima, 3 Aug (EFE) -- The Peruvian Government has announced that it will extend the state of emergency for another 2-month period in the 19 provinces that encompass the Departments of Ayacucho, Huancavelica, Apurimac and Huanuco, which are considered to be the center of activities of the Maoist group, the Shining Path.

The government measures notes that the state of emergency has been extended because "the reasons which led to the enforcement of the state of emergency continue," and it adds that its objective is "to restore public order."

Ayacucho and nearby departments have been under a state of emergency since the beginning of 1983, when the government of Fernando Belaunde Terry charged the Armed Forces with the struggle against terrorism in the area.

Since that time, the state of emergency has been extended every 2 months, because the Peruvian Constitution establishes that the state of emergency can be established for only 60 days.

The declaration of state of emergency implies the suspension of individual rights and the control of the entire area by a political-military command. At present the Armed Forces are headed by General Gil Jara. The state of emergency is also enforced in two provinces of the Cerro de Pasco Department, located in the main mountainous area of the country, and in Lima and the port of Callao. [passage omitted]

ESCALATION OF ATTACKS ON APRA OFFICES CONTINUES

PY012311 Madrid EFE in Spanish 1547 GMT 1 Aug 86

[Text] Lima, 1 Aug (EFE) -- The terrorist escalation that began in Peru after the massacre of some 300 prison inmates on 19 June in Lima has increased over the past few days with several attacks on offices of the ruling party American Popular Revolutionary Alliance [APRA]. Since the events at the prisons, seven APRA militants have been murdered by Shining Path.

The attacks carried out yesterday in Lima against four APRA offices and eating establishments as well as against the house of an APRA councilman have marked the preparations of the acts that begin today in Peru to celebrate the 7th anniversary of the death of Victor Haya de la Torre, leader and founder of APRA.

Similar attacks were perpetrated last night in Lima against two stores of a well-known chain, a brick factory, and a bank agency.

The most serious attack took place in the city of Huanuco, capital of the Huanuco Department, north of Lima. There, 50 dynamite sticks were placed in the main APRA office, where several local officials and approximately 100 members were meeting.

Last night, as reported today by the newspaper LA REPUBLICA, a woman infiltrated a group of the participants and left a briefcase containing dynamite in the bathroom. The suitcase was discovered before it could explode. According to the report, the woman was detained and identified as Teresa Hualca. She said she belonged to a "death squad" of the Shining Path Maoists.

The Shining Path terrorists also attacked four APRA offices in Huanuco, throwing explosives and causing some property damage.

In the city of Huancayo, 415 km southeast of Lima, several incendiary bombs left the movie theater "Central" in ashes. Police managed to deactivate other incendiary bombs in three other movie theaters in that city.

A car bomb also exploded yesterday in this city. The explosion caused serious injuries to one person and damaged several houses. The car bomb, which was placed in a stolen truck, was apparently intended to explode in front of the police headquarters. So far the police have detained some 100 suspects in Huancayo.

Meanwhile, the APRA members today began several political and religious acts to celebrate the 7th anniversary of the death of Haya de la Torre, president of the Constituent Assembly that gave Peru its current Constitution.

POLICE ARREST 400 IN LIMA, NEIGHBORING AREAS

PY301716 Buenos Aires TELAM in Spanish 0230 GMT 30 Jul 86

[Text] Lima, 29 Jul (TELAM) -- About 400 people have been arrested in the last few hours in exhaustive preventive police operations in Lima, neighboring districts, and the nearby Callao Port.

Spokesmen from the Civil Guard 2d Region public relations department have reported that 220 people, suspected of carrying out activities outside the law, were arrested in operations carried out in the Carmen de la Legua and Callao jurisdictions. A similar number of people were also arrested in Lima.

In many cases the people who were arrested because they lacked identification papers were investigated by the police and later released and placed at the disposal of the proper authorities.

BANK OFFICIAL ON 'ALTERNATIVES,' IMF DISCUSSIONS

PY030225 Paris AFP in Spanish 1616 GMT 2 Aug 86

[Text] Lima, 2 Aug (AFP) -- Central Reserve Bank (BCR) President Leonel Figueroa has stated in Lima that Peru will propose several alternatives to the IMF before 15 August, the date on which a \$180-million payment on interest to the IMF falls due. Figueroa, who left early this morning for Mexico to seek agreements concerning the drop in the international price of silver, said last night that from Mexico City he will go to Washington to attend IMF meetings. Some Peruvian payments to the IMF will fall due on 15 August.

Regarding the possibility that the IMF might declare Peru ineligible for IMF loans if it fails to honor its debt commitments, Figueroa said that we still have a few days to study what could happen. Figueroa said: Until then, there are many things to do... to this end, the government is studying several alternatives. He was thus indicating that Peru might hold some sort of dialogue with the IMF.

The IMF board normally meets at its Washington headquarters. I will probably go there for the meeting, Figueroa said.

Figueroa reiterated, however, that Peru cannot possibly make the payments. A few days ago Economy Vice Minister Gustavo Saberbein said Peru would make a goodwill payment, but in keeping with the Peruvian decision to limit its payments on its public foreign debt -- which totals \$12 billion -- to 10 percent of its export revenues.

Saberbein said that the Peruvian foreign debt totals more than \$14 billion, including a \$2-billion private debt, and that the Peruvian debt to the IMF -- totaling \$800 million -- would be paid, but he did not give any figures.

Commenting on his trip to Mexico, Figueroa said he will discuss the possibility of reaching some agreements on the world silver market, in which Peru and Mexico play a leading role.

GOVERNMENT DECREES INTERVENTION OF GLORIA COMPANY

PY301926 Lima Television Peruana in Spanish 0100 GMT 30 Jul 86

[Text] The government has decreed that the Gloria Company will be intervened for 180 days as of the date of this decree. The Gloria Company will be intervened by a commission that will be made up of representatives from three ministries and the Financial Development Corporation. This commission will be made up of representatives from the Agriculture; Economy and Finance; Industry, Commerce, Tourism and Integration Ministries. This commission will implement the necessary measures to safeguard the normal collection of fresh milk, guarantee prices for fresh milk producers in the southern basin, and control the volume of production in order to ensure a normal supply of evaporated milk to the local market.

TUPAMAROS' COMMUNIQUE HINTS AT VIOLENCE

PY021353 Paris AFP in Spanish 0022 GMT 2 Aug 86

[Text] Montevideo, 1 Aug (AFP) -- The unexpected reappearance on the political arena of the National Liberation Movement-Tupamaros (MLN-T) has caused a great stir in local political circles, who uneasily noted recent comments by the former guerrillas. On 29 July the MLN-T Executive Board issued a communique, warning that if the government and the people are the hostages of the Armed Forces then everything changes and a new position will have to be adopted based on this situation.

The political parties this week held final discussions on negotiations seeking a solution for the trial of alleged human rights violators under the military regime, foreseeing a possible refusal by the military to testify before the civil courts. The comments contained in the communique were viewed by governmental circles as a threat that the Tupamaros, if they deem it necessary, are willing again to resort to armed struggle in Uruguay.

Sources from the ruling Colorado (Liberal) Party have stated that the comments by the former guerrillas are serious and impertinent, stating that the former guerrillas seem to be seeking new confrontations, which no one wants. The Colorado morning newspaper EL DIA, whose associate publisher is Vice President Enrique Tarigo, today editorialized on this issue, stating that the threats and excuses of those who brought pain and mourning to the Uruguayan democracy and coexistence are out of place. Tarigo stated that those of us who never believed in the recovery and repentance of the Tupamaros in their general behavior cannot be surprised at reading their current threats, which are more or less similar to their past threats.

The newspaper denied that the government is being blackmailed by the military men and warned that the vast majority of Uruguayans are not willing to again walk the path of confrontation, destabilization, and utter violence which is being hinted at.

Reports broadcast today by Montevideo radio stations have stated that the U.S. Department of State has charged the Tupamaros with preparing to return to guerrilla methods and seeking to extend political violence throughout Latin America. In this regard, MLN-T leader Luis Rosadilla has said that the United States has no moral authority to level charges against any organization in the world of cooperating with terrorism, because terrorism originates in the United States. The United States would have to take a look at its conscience and say why it is giving \$100 million to the Nicaraguan contras to execute Nicaraguan people, Rosadilla stated.

Jose Mujica, one of the top historical MLN-T leaders, has stated that the MLN-T will contribute to upholding the country's political freedom. Mujica said that the reactionaries and fascists are waiting for any guerrilla action to serve them as an excuse to again block things and repress people, but they will be disappointed.

PRC AMBASSADOR ON POSITIVE TRADE BALANCE

FL011840 Mexico City NOTIMEX in Spanish 1736 GMT 1 Aug 86

[Text] Mexico City, 1 Aug (NOTIMEX) -- Chinese Ambassador to Mexico Li Chao has said Mexico achieved a positive trade balance of \$70 million last year with the PRC.

During the ceremony commemorating the 49th anniversary of the founding of the Chinese People's [Liberation] Army, Li Chao said that the two countries are currently analyzing the possibility of increasing bilateral trade. As of last year the total trade volume of the two countries has recovered, and a total of \$100 million was registered. However, he indicated that Chinese exports barely reached \$30 million.

The official also indicated that the PRC categorically supports all the peace initiatives of the Mexican Government. China is a peaceful country, he said, and, like the rest of the people of the world it needs peace for its maximum development.

In reference to the upcoming meeting in Ixtapa, Guerrero, the Chinese ambassador said that the meeting of the Group of Six is an effort that should be praised by everyone, and because of this China expresses its good wishes for the success of the meeting.

SOVIET CHARGE D'AFFAIRES ON GROUP OF 6 MEETING

FL021541 Mexico City NOTIMEX In Spanish 0338 GMT 2 Aug 86

[Text] Mexico City, 1 Aug (NOTIMEX) -- Victor Krapov, charge d'affaires of the Soviet embassy in Mexico, has said the Group of Six is serious, independent, and supports Soviet disarmament proposals. The Soviet Union, he said, has never considered the Group of Six -- Argentina, Mexico, Tanzania, India, Greece, and Sweden -- to be a game or a dream. Krapov said the Soviet Union will support the concrete and realistic proposals that will result from the meeting which will be held in Ixtapa. The group can play a positive and influential role for the Soviet Union, he stressed, but it will never place pressure on his country. The Soviet Union does not need pressure since it has a clear and honest policy on nuclear weapons which corresponds with the interest of the peoples.

Gorbachev will praise the efforts of the Group of Six leaders since they support the initiatives proposed by the Soviet Union to prohibit nuclear testing and weapons from space, he added. Krapov stressed that the policy of the Soviet party is intended to destroy nuclear weapons because these weapons are terrible and threaten humanity with holocaust.

He stressed that even though its policy is based on disarmament, the Soviet Union has achieved a thermonuclear balance with the United States and will not allow that nation to destroy it. Krapov said his country expects the meeting in Ixtapa to determine the future of the Soviet Union and the United States.

LEGISLATOR ON MEETINGS WITH U.S. OFFICIALS

PA021356 Panama City LA PRENSA in Spanish 30 Jul 86 p 18a

[Article by Legislator Guillermo A. Cochez, Jr.: "Democracy vs. Peace and Security"]

[Text] As we sat in a large room on the sixth floor of the huge U.S. State Department building where we would meet with Elliott Abrams, I would have never imagined how clear his position regarding the Panamanian military leaders would be. If I was surprised, just imagine the reaction of my colleagues, -- the progovernment legislators -- when we heard the assistant secretary of state for inter-American affairs say that the role played by the military in Panama goes beyond the powers they should have in a democracy, and that this is why the Panamanian democracy has become stagnant.

After his categorical introduction, Abrams went on speaking frankly about our type of government in Panama. According to Abrams, the democratic development of any Latin American country will depend to a large extent on a less active role by the military in public affairs. Abrams' position was totally opposite to the one we had heard from Nestor D. Sanchez, deputy assistant secretary of defense for inter-American affairs, a U.S. citizen of Mexican ancestry who has been in that important position for the past 6 years. The first thing Sanchez told us was that one of Latin America's main problems in its relations with the United States is that it does not have enough "lobbying" [preceding word in English] in Washington to "sell itself" adequately to the U.S. circles of power. What I understood from this is that even if everything that is said is a lie -- as it happens today -- we must sell our best image to the U.S. public, so that they will "give us" everything we need.

Abrams considered Panama's democratization the main priority, while for Sanchez the priority was the Panama Canal's security, for which it is necessary to maintain the most cordial relations with the current chiefs of the Panamanian Defense Forces. He then stressed his close friendship with General Noriega. Sanchez' only concern was preventing any sabotage actions against the Canal which, he said, have never occurred. With the excellent cooperation provided by the Panamanian military chiefs, he hoped that there will be no sabotage actions against the Canal in the future. I do not now why, but it sounded like blackmail to me: If you do not do anything against us, we will not touch the Canal. Then, in replying to one of my many questions, Sanchez said that anything else, including when a military chief decides to get involved in politics, as in the case of Torrijos, Paredes, and Noriega, it was our problem. As I told him, the United States promotes the participation of the commanders in politics by mistaking its relations with the armed institution with the circumstantial relations it maintains with whomever happens to be the military chief at the time. However, from there on the problem is ours, because according to Sanchez, they respect us and do not meddle in our domestic affairs.

The experience at the two meetings was extremely positive. The positions expressed by the progovernment legislators were as opposite and contradictory as those expressed by Legislator Jorge Ruben Rosas and myself, clearly showing the profound fissures that exist within the Panamanian family. The viewpoints expressed by the ranking U.S. Government officials also unveiled the conceptual differences that exist between the U.S. State and Defense Departments in analyzing our problems.

It was then that I understood that part of the legislative resolution in which Roberto Eisenmann [LA PRENSA director] was condemned as a traitor and the reports published in THE NEW YORK TIMES about Gen Noriega were described as "a string of lies," and in which the publications were attributed to the differences that exist between the various U.S. Government agencies. It was evident that while Abrams talked about democracy, stating that the power should be held by elected civilians and that military intervention in politics is harmful, his words did not find an echo in Sanchez. For Sanchez, the only thing important in the relations between our two countries was peace, security, and the professionalism of the Panamanian military men, for which it is necessary to maintain excellent relations with the heads of the institution. I now wonder if the slogan "Year of Peace, Security Without War" was created by the public relations office of the famous U.S. Department of Defense as part of their contribution to improve the image of the Panamanian military chiefs.

However, the idea that there will never be peace and security without democracies was not only expressed by Elliott Abrams. During our stay in Lincoln, Nebraska, a 15-minute courtesy visit to state Governor Robert Kerry ended in a heated 3-hour debate about the Panamanian democracy. In concluding, the young Democratic politician said that although the role played by the military is considered very important in his country, it was decided from the beginning that they would not participate in politics.

In this sense, the 21-day U.S. tour has been a good lesson. Although there were moments of great tension when the debates got heated, it was also an opportunity for those of us representing the opposition to be better understood regarding the noble intentions behind our intense and permanent struggle for democracy. It became clear that what we want, in addition to the necessary change of individuals, is something that is more profound. We seek a change in the system, in order to establish a real democracy, which is an indispensable condition to live in peace and in a country that is responsible for its actions and its destiny, without so much U.S. intervention.

ABADIA DISCUSSES CONTADORA REACTIVATION

PA010347 Panama City ACAN in Spanish 0130 GMT 1 Aug 86

[Text] Panama City, 31 Jul (ACAN-EFE) -- Foreign Minister Jorge Abadia Arias said that today Guatemalan President Vinicio Cerezo has asked the Contadora Group to renew its regional peace negotiations.

In statements made to ACAN-EFE, Abadia noted that the Contadora Group has delivered its final version of the peace and cooperation treaty, and that the countries in the region must now voice their stand on this document in order to resume negotiations. "They (the Central American presidents) have to take some initiative concerning this document in order for Contadora to deem it wise, advisable, and reasonable to call for a new meeting," Abadia said. Guatemalan President Vinicio Cerezo said last night that his country will call for a new meeting of the Contadora Group -- composed of Mexico, Venezuela, Colombia, and Panama -- to hold a new "summit," even though "an atmosphere of pessimism prevails."

Abadia said that Contadora "cannot impose the solutions of them (the Central Americans). The solutions must come from them, and if they say this is not the final version of the treaty, then they should say what it should be and we will help them" in the dialogue.

He explained that the Contadora Group has received recommendations from the Salvadoran and Costa Rican Governments concerning the document delivered on 6 June to the countries in the region. "These were very positive recommendations that could lead to a peace mechanism because they tell us Contadora is the only alternative and they ask us not to abandon the negotiations table and to continue supporting the peace process." Abadia added.

However, the Panamanian foreign minister said: "It is necessary that they take up the historical commitment of deciding for themselves what they want, and then we will support that line with our efforts."

ABADIA ON CANAL TOLLS, POSSIBLE DETERIORATION

PA010250 Panama City Televisora Nacional in Spanish 0000 GMT 1 Aug 86

[Text] Panama does not agree with the possibility of increasing Canal tolls. We interviewed Foreign Minister Jorge Abadia Arias on this subject:

[Begin recording] Panama will try, as much as possible, to see that the Canal tolls are not increased. However, Panama will be on the lookout for anything that might benefit Canal revenue that will help in preventive maintenance of the Canal which should revert to Panama in the year 2000. We are very much concerned, and we have already notified the respective authorities of this, over the deterioration of some of the Panama Canal properties and the possibility that the Canal might not operate in an efficient manner when it is returned to Panama in the year 2000. We are very much aware of this, and we are very worried about it. We are exerting respectful pressure so that the corresponding authorities can adequately maintain the Panama Canal so that it will not be junk when returned to Panama in the year 2000. [end recording]

COSTA RICACOMMUNIQUE REJECTS NICARAGUAN CHARGES AT ICJ

PA021608 Panama City MATUTINO in Spanish 2 Aug 86 p 4 A

[Communique issued by the Foreign Ministry; no date given]

[Text] On 28 July Claudia Chamorro the Nicaraguan ambassador in San Jose, delivered to the government of the Republic an undated note in which the Nicaraguan Government announced its decision, full of bad faith, to bring suit against Costa Rica for its alleged complicity in the activities of the U.S. Government against Nicaragua.

Costa Rica categorically rejects, in all its extremes, the groundless Nicaraguan accusation, because it has proclaimed and practices a policy of strict neutrality in the internal conflicts of Nicaragua and in any of the armed conflicts of other states. The preservation of this neutrality demands large resources and dauntless efforts from the government of the Republic, which feels that this neutrality is one of the cornerstones of its foreign policy.

Costa Rica, as a state that abides by the law and respects judicial and national as well as international institutions, will go to the International Court of Justice [ICJ] or any other organization to uphold its right. Costa Rica reserves itself the right to use the mechanisms, organizations, and legal grounds it deems opportune to prove the false nature of the charges that the Nicaraguan Government has so rashly presented.

The Costa Rican Government feels that, in addition to legally confirming to the international community the groundless nature of Nicaragua's accusation, the suit before the court will provide an excellent opportunity to show the aggressiveness with which Nicaragua has treated Costa Rica in the past few years.

NARANJO ANNOUNCES AUSTERITY BUDGET FOR 1987

PA020056 San Jose Radio Reloj in Spanish 0100 GMT 30 Jul 86

[Excerpt] A drastic fiscal plan for 1987 has been announced. New taxes will be levied to compensate for lower tax rates on some activities. An austere budget has been announced. Treasury Minister Fernando Naranjo said that due to diverse tax laws, the rates were lowered for certain activities and the only alternative is to compensate elsewhere. The minister said that taxes cannot be lowered because this would lead to an even higher deficit.

Finance Minister Naranjo has taken some internal measures to lower public expenditures, such as a 15 percent budget [word indistinct], equivalent to 4,5 billion colones. He stressed that several actions were taken to improve tax collection by the Directorate of Direct Taxation and Customs.

He noted that a careful policy on public expenditures will be implemented in the next few days, not only for the central government but also for decentralized institutions. The treasury minister said a number of measures under consideration will be disclosed soon, such as the policy on wages for the public sector, adding that the IMF agreed that the adjustment should be lower due to the fiscal deterioration. He noted that previous legislation has resulted in greater expenditures in wage adjustments, pensions, and transfers.

The Legislative Assembly will be asked to amend some laws. The Treasury Ministry had to absorb the debts of some decentralized institutions, Naranjo said. He remarked that the IMF agrees that a strong adjustment should take place in 1987 because the Legislative Assembly has to amend several laws. [passage omitted]

EL SALVADOR

DUARTE WELCOMES HONDURAN PRESIDENT AZCONA

PA010307 San Salvador Domestic Service in Spanish 0305 GMT 31 Jul 86

[Speech by President Jose Napoleon Duarte at the Presidential Palace in San Salvador -- live]

[Text] Your Excellency, constitutional president of the sister Republic of Honduras, and distinguished Mrs Azcona Hoyo; distinguished retinue accompanying President Azcona Hoyo; Your Excellencies, members of the diplomatic corps accredited in our country; Mr President and members of the National Legislative Assembly; Mr President of the Supreme Court of Justice; members of the state Cabinet; distinguished special guests; Salvadoran people; Honduran people; and people of Central America who listen to me through the Central American television network:

We are very honored on this occasion to receive here, in this home of the Salvadoran people, the distinguished president of the sister Republic of Honduras, Jose Azcona Hoyo, his wife, and his distinguished retinue in a most important visit for the fate of the two brother nations and, undoubtedly, for the future of the entire Central American region.

As president of the Republic of El Salvador and elected by my people, I am very pleased to receive a constitutional president who represents the sovereign will of his people to hold a positive exchange of ideas that will also strengthen our brotherly ties. I must also state that the Salvadoran people, and I am loyally interpreting their will, are more than pleased to receive in this noble land the illustrious ruler of a country with which we have so many ties and common goals. We have a common fate determined by the way in which we remain united, understanding the value of joint action, cooperation, achievement, progress, and change for improving the living conditions of both countries.

Mr President: We are happy to have you here, and I must insist that our people are very pleased to receive you as a brother and hope your visit will be positive for Honduran-Salvadoran relations and for peace and democracy.

Our countries have a common history, the same roots, identical traditions, and similar wishes. Both people have followed similar paths. Both peoples are facing similar challenges. El Salvador and Honduras are currently seeking the consolidation of authentic democratic programs and are confronting all sorts of difficulties that threaten their stability and tranquillity. We are both suffering from a plot against the progress of our citizens. We have both gone through negative conditions in the economic and social areas. We are both victims of the ideological terrorist expansionism of the totalitarians.

We are geographic neighbors; brothers of the same race, religion, culture, and hopes. One of the restrictions hindering our development and the consolidation of pluralist democracy is the weakness of our economies. The most elementary logic tells us that in view of all the characteristics we mentioned earlier and with the tremendous advantage of being neighbors, we should seek a common economic scheme that will result in a beneficial exchange based on justice and mutual respect, a scheme that might and should produce a strengthening of our economies.

Our bilateral economic relations are essential for strengthening our political programs, for the progress of our peoples, and for achieving that common future that will be much easier to attain if we face it together. The Spanish-American countries have continually had border problems. We have had them between our two countries. We now have the greatest willingness to solve them and to seek the juridical means based on respect and honesty to solve the border problem. It is our duty, and we have done so, to maintain a calm, prudent, and constructive attitude. We must plant seeds of peace and harmony among our peoples and we are doing this.

Mr President: Together, we must persuade Hondurans and Salvadorans that regardless of any differences, they are and will continue to be brothers, and it is very important to solve these differences based on the rights that will eliminate forever any shadow of doubt. Our participation at the highest tribunal of international law should serve as an example to other nations, it should serve as a model so that all will understand that when one acts in good faith, abiding by the law and respecting a neighbor, and above all, speaking with the language of peace and harmony, one can always overcome any differences and one can always find satisfactory solutions.

Mr President: I reiterate the willingness of the Salvadoran people of all sectors, as well as my own willingness to make all efforts necessary to find a just, firm, and lasting solution that will guarantee peace, brotherhood, stability, and which will allow us to maintain a positive unit for two brotherly and neighboring countries. This is a good opportunity for us, as presidents of Honduras and El Salvador, and as personal friends throughout our lives, to agree on and plan a dialogue between the various political and social groups of our nations. In this manner, the representatives of both countries will meet on a planned schedule so that the legislative assemblies, Armed Forces, labor unions, workers, businessmen, technicians -- in other words, so that all of us who want to seek together a clear and definite support for a balanced solution to the conflict -- which will allow us to create a suitable atmosphere in all spheres of society in both Honduras and El Salvador -- can go together to the honorable International Court of Justice under conditions of mutual understanding. That court will then promptly issue a ruling to solve the border conflict and thus open the path for better understanding between our peoples.

I avail myself of this happy opportunity to tell you, Mr President, that we must do everything possible to remain united. For our part, be assured of our best wishes of solidarity and the firm and sincere willingness of the Salvadoran people to intensify Honduran-Salvadoran relations as much as possible by the most noble means.

Even if only briefly, it is very necessary to stress that meeting here tonight are presidents of two countries that fortunately have taken the same path toward real democracy, based on a legitimate expression and not a whimsical interpretation of the people's authentic will. Democracy is a dynamic process, the implementation of which is not easy. It emerges from the people's will and is then expressed through the exercise of fundamental rights. Improvement of the democratic institutions offers to human beings the best possibilities for personal development as well as new opportunities.

We cannot deny, however, that it is not an easy path. There are enemies inside and outside of all democracies constantly conspiring to destroy them. It is important to stress that building a democracy requires a continuous effort, an iron-clad will; it means that one must be constantly exposed to the domestic and international public opinion; that each one of the actions carried out on behalf of the government will be judged in history, and that it is necessary to adjust to the norms that limit and define power in a democracy.

This is what makes the pluralist democratic system great: To realize that our mandate is limited in power, and for a definite period; to realize that peoples have a right to change, to express themselves, to disagree and to participate in debates; to realize that institutions and individuals have the inalienable right to question the actions carried out by the government and government leaders. It is not easy for those who defend totalitarianism to understand this, nor do they want democracy to bloom, to grow stronger or to consolidate. That is why they are constantly trying to discredit it, that is why they conspire against it in every field, and why they maintain an endless struggle or war which is conducted in countless ways.

True democracy -- which includes economic, social, and political issues, and which affects all our actions in life -- has intrinsic limitations that are hard to overcome. There are cultural gaps that make it difficult in young democracies to understand clearly the essence of democracy. That is our case, Mr President. Feeble or frail economies are also dangerous for democracies, and thus it is important to strengthen them. Therefore, it is urgently necessary to wage the economic struggle together, by strengthening the trade exchange, through cooperation, and by being active and flexible.

Some people believe that it is easy to maintain a fictitious order through artificial means. They contend that it is easy to maintain relative security and tranquillity by force. Those defending this theory imply -- because they do not understand this political and social phenomenon -- that democracy has caused all the social disturbances: strikes, stoppages, and certain excesses in exercising liberty. Here I must insist that the legitimate labor struggle, the free confrontation of ideas, the right to express oneself in any field, the total freedom of preaching and religion, of traffic and association, and so forth are essential democratic principles, and that we must make an effort to make rational and adequate use of these rights. We must differentiate between incorrectly using a right and the right itself. Democracies are not at fault if by making inadequate use of their rights or ignoring their true dimensions, citizens do not take advantage of the opportunities offered which, I repeat, are the best and the most adequate for an individual's full development.

We are not overly worried about the domestic limitations, because we have faith in our democracy and believe that it is strong enough to withstand them.

Mr President: You and I have heard definitions of democracy that are based on force, and on ignoring the citizens' will. It is for that reason that the extraneous limitations are dangerous. They can only be successfully countered when states sharing true democratic aspirations jointly face these extraneous limitations. International terrorism cannot be dealt with successfully by small democracies acting separately.

The injustice in international relations tremendously affects young democracies. There is only one way to shun this injustice and obtain just treatment in our relations. We must act together and struggle in a common front to achieve just and profitable prices for our products, equitable treatment in our financial transactions, and the respect we deserve as a sovereign state.

We previously referred to the limitations that conspire against and place restrictions on real democracies. The terrorists who call themselves revolutionaries aspire to achieve total power through violence, without showing any respect for the minimum ethical rules. The ultraleftists say that they represent the peoples; however, they have never bothered to ask the people to ratify that right. They talk about popular democracy, about the people in arms; however, they exert absolute control over all the essential liberties and profess a single ideological line that excludes any differing.

Mr President: You and I, I repeat, have heard the Nicaraguan president's concept of democracy, of the use of power, of the expression of the people's will, hegemony, and the distribution of power, of neutrality, and of a number of concepts that reflect the unquestionable totalitarian nature of the Nicaraguan Government. The language used by the Nicaraguan president is a totalitarian, warmongering language, which reflects a restless persecution mania and an expansion that seeks to destabilize the Central America area without respite, as well as disrespect for international laws and for the good relations among neighbors that the Nicaraguan Government brags so much about. They are an irrefutable evidence of its support and adherence to international terrorism.

Mr President: Our concept of authentic democracy is essentially different and opposed to the Nicaraguan Government's totalitarian concept. You and I and two other democratic presidents are witnesses of that profound difference. They can talk about democracy, but they do not practice it. They accept the elimination of the basic democratic liberties; they disrespect the free determination of peoples and the right of self-determination when they promote, foment, and help the terrorists that operate in countries like ours, bringing sorrow and destruction to the Salvadoran people.

They persecute political parties, the church, social forces, and all those who do not accept their totalitarian authoritarianism. This Sandinist government concept is not democracy. This concept is light years away from our own point of view, and it works against the stability of our countries.

Likewise, they speak of a historical determinism, which is nothing but sophistry. Human beings have a natural need for freedom, and we do not think that to overcome underdevelopment it is necessary to subdue our peoples, or any people. On the contrary, there is a historical evidence that the kind of totalitarianism that tries to function under the cover of a pseudo-peoples' democracy turns into something totally inefficient, economically and administratively speaking. Politically and culturally speaking, it becomes an abominable slavery. Ideologically speaking, it turns into a concept that eliminates all possibilities for dissent. No system exalts police control, warmongering, and extreme militarism more than the Marxist-Leninist system. No system betrays human nature more than the terrorists' totalitarian plan.

Mr President, we cannot pretend not to know that there are sectors and people who thoughtlessly or irrationally become enemies of any form of change. In their blindness, some of them also resort to criminal and terrorist actions to maintain their privileges and to show that democracy is weak. Those people are unable to see that their attitude is an unconscious ally of ultraleftist terrorist plots, and their policy of hanging on to the past opens a door for pseudorevolutionaries to get involved in the criminal plan of a prolonged peoples war. In reality, that war continues to be a pretext to lead deceived and frustrated youths to take up weapons.

I am not talking about those who, with a conservative way of thinking, accept and follow the rules and the plan of democracy. They, as well as others who have leftist tendencies, also have their place in a democratic, pluralist society, as long as they respect the rules of the game -- as is their duty -- which are equal for everybody. That is democracy.

Mr President, this visit is the best example of a sincere dialogue to fervently seek stable peace among our peoples. I must say that in this same spirit of conviction and sincere dialogue, I have worked hard for a permanent solution permitting internal peace in our country, El Salvador.

Our country continues to suffer the attacks produced by irrational hatred, and the violence unleashed by those who still do not, or cannot interpret the peaceful feelings of our people.

Mr President, I believe in and insist upon dialogue, because that will respond to the ethical and humanistic principles when we have defended all our lives; and also because that is the mandate the Salvadoran people have given us. Many times and in various ways the Salvadoran people have expressed their desire for a worthy, consistent peace, framed by the Constitution and in accordance with the specific characteristic and spirit of our tradition of freedom.

In this regard, a new effort for a dialogue with the people in arms is about to take place. That effort, which is at our initiative and has the support of the international community, will continue so as to achieve peace in El Salvador, and thus contribute to the pacification of the entire region.

Mr President, we view the entire spectrum of cooperation between El Salvador and Honduras as an ongoing project that must cover all levels of human activity, from facilities that must cover all levels of human activity, from facilities for the countries [corrects himself] for the peoples of our countries to communicate as much as possible, to the complex outlines of the increasing commercial exchanges, the formation of general programs in the energy, health, transportation, and security sectors, as well as in the delicate area of diplomatic coordination.

Mr President, the work ahead of us is immense, and the times augur well for it. The climate of friendship, the atmosphere of solidarity, and the scope of pragmatism in which our relations function today, acquire with your visit, Mr President, a dimension that we acknowledge and praise.

We fully share your ideas on systematic cooperation, in accordance with the challenges of our times. Faced with the acceleration of the history of our times, our countries, which are small, but filled with creative vitality, will recover all their human and productive potential.

If we use all of our national determination and capacity, together we should and can overcome the situation [regazo] imposed on us by the vicissitudes of history.

We should continue forward, regardless of the obstacles we have to overcome. In view of the recent experiences, it is clear that we can overcome any obstacle if we are supported by that real and spontaneous unity, which the subregional crisis itself makes us understand in its full magnitude.

The new, united nation of the future has its foundation in the spirit that we share today, in the renewed brotherhood which encourages us, and in the conviction that the institutions, which we defend day by day, are increasingly perfect and invulnerable.

The Central American tragedy gave us a more mature and broad perspective of reality. The satisfactory outcome of that tragedy will undoubtedly give us a more humane perception of the fate we have to share. We are heading toward that humanism, and democracy is the vehicle that will take us to it.

Mr President, your visit is the best occasion to establish guidelines, outline mechanism, and order priorities in this new relationship that we are strengthening through our personal contact today. This relationship is very useful and necessary at this time to resolve all conflict.

As president, and also as a man of unyielding democratic ideals and convictions, I express the profound gratitude of the people and the Government of El Salvador for your visit, the fruits of which will be seen shortly. We receive you in friendship and, with a brotherly embrace. We want you and your retinue to feel you are surrounded by the warm, fraternal feelings of all Salvadorans. Today is a day of celebration for El Salvador, and it will be recorded in the history of our two nations.

Thus, let us enjoy this mutual friendship and hope for the peaceful and progressive prosperity of our peoples.

A short time ago, as a Grand Master [gran maestro] of the Order of Jose Matias Delgado, and on behalf of the country, I had the honor of presenting you with that order, in the class of Grand Cross, Gold Plaque. I did so with pleasure and the certainty that you honor, and will continue to honor our highest award, and that you will always wear it with your characteristic dignity.

Mr President, the representatives of all the sectors of our country, without religious, political, or social distinction, have come here today to honor you. I ask them, on behalf of our homeland, to join me in a toast to the honor of one who honors us. Mr President, on behalf of the people of El Salvador, a toast to your homeland, Honduras; to you, your distinguished wife, and your retinue. May God give us strength and allow us to walk together along the path of peace. [applause]

Azcona Speaks

PA010215 San Salvador Domestic Service in Spanish 0351 GMT 31 Jul 86

[Speech by Honduran President Jose Azcona Hoyo at the Presidential House in San Salvador -- live]

[Text] Mr President of El Salvador, Jose Napoleon Duarte, First Lady of El Salvador Ines de Duarte:

We were not planning on speaking at this time, but we fully identified with the Salvadoran president's speech. We fully identify democratically because we have found that we share the principles of pure republicanism with President Duarte, and because we have both implemented democracy in our system of government. We met him in an international youth club 34 years ago, and we feel he has kept his heart pure, despite all the difficulties. Therefore he deserves the high honor of being president of El Salvador. I want to congratulate him tonight from the bottom of my heart, because he is the same Napoleon Duarte we met many years ago. He is without a doubt a man of ideals, actions, and enthusiasm. In Honduras we also want to walk the path of democracy. We feel that if democratic principles are respected, our peoples will make progress, and the roads for collective welfare will be paved.

Democracy belongs to us all. Democracy cannot be used to close down newspapers or to expel priests. It also must not be used to block the road to progress for workers and peasants when they demand a better distribution of wealth and of the country's riches. That is why we democrats must walk the center line. We must work hard day and night, and we must respect democratic principles. By respecting the doctrines of political parties, no matter what they be, we will be increasing the possibilities for peace for our peoples and decreasing the possibilities of them being exploited.

As president of the Honduran people, I want to say that we are exerting ourselves to achieve that objective.

We are being internationally criticized for not siding with the Nicaraguan Government. We cannot do that, because what we preached for 20 years as politicians in our countries -- that we had to respect freedom of speech, freedom of the press, and freedom to form associations -- cannot be forgotten by us now. We cannot side with a government that did not fulfill the promise it made to the OAS.

We have said many times that we will not invade Nicaragua and that we will never allow our land to be used to invade Nicaragua. However, we will not be the gendarme of that government so they can continue to oppress the Nicaraguan people. It is not our fault that there are counterrevolutionaries and refugees in our land. We feel it is the fault of the Nicaraguan Government, which was not able to interpret the support they received from the American continent, which thought Nicaragua would form a government that would respect the liberties of its citizens.

Again I congratulate the Salvadoran president, and I feel that the Salvadoran people will come out ahead because they have been able to interpret democracy. Those who are more affluent must prevent those on the bottom from falling prey to violence and to international totalitarianism as it has occurred in parts of El Salvador. I congratulate the president of El Salvador and all Salvadorans because they have been able to find the road to democracy, social justice, and popular vindications by respecting the interest of all sectors. That is what democracy is all about. Democracy is respecting private property, but at the same time it is fighting for a common goal without undermining the interests of any group. That is what we are doing. I am completely sure that El Salvador will succeed over violence and that I will continue to walk the path of democracy. In Honduras we will protect the people from that whirlpool of violence because we will be just with all sectors of our society. Thank you very much. [ap-
plause]

VICE PRESIDENT VIEWS HONDURAN RELATIONS

PA301353 San Salvador Canal Doce Television in Spanish 1900 GMT 28 Jul 86

[Text] The foreign ministers of Central America, with the exception of Nicaragua, who recently met in our country, intend to draft a peace document which will be presented to the Contadora Group. This was stated today by Dr Rodolfo Antonio Castillo Claramount, who also referred to the upcoming meeting between President Duarte and his Honduran counterpart, [Jose] Azcona Hoyo. The following is a report by Roxana Lemus:

[Begin recording] [Lemus] Vice President and Foreign Minister Rodolfo Antonio Castillo Claramount revealed some of the topics that will be discussed by President Duarte on 30 and 31 July, when Honduran President Jose Azcona Hoyo visits our country. The topics include the reactivation of our trade, and analysis of Central America's foreign debt, and Salvadoran refugees in Honduras; he emphasized that Honduras must solve that problem but that El Salvador might help.

[Castillo] We have achieved progress in this sector, and you are aware of this. A tripartite commission has been formed that is comprised of the Honduran and Salvadoran Governments, as well as the UNHCR [UN High Commissioner for Refugees]; also participating are other organizations -- for example, the SIN [not further identified]. We are already working on a repatriation plan that will undoubtedly respect the people's desire -- this is a condition demanded by the United Nations. El Salvador has outlined and begun to prepare the logistical and internal aspects of the matter to receive the refugees and subsequently relocate them in our country. We could say that this is simply a practical problem concerning their transfer and things of that nature. This, obviously, does not have to be done according to a timetable or with specific groups; these people must be treated as human beings, there is no question about that.

Anyway, Honduras has to solve this problem, and we must contribute to solving it because Honduras should not bear the burden of a human problem that represents a political, economic, and social complication for its own internal situation.

[Lemus] In addition, Castillo Claramount said that Central America needs an authentic pluralist democracy and freedom of the press that permits internal dialogue, thus guaranteeing a process in which governments are appointed through free elections. Referring to this topic, he said that the Central American countries -- except Nicaragua -- are working on a proposal. We are working on a historical document, because there has never been evidence of an expression of this nature, for a dialogue among the five Central American countries; as soon as we have prepared the plan for an organized dialogue we will invite Nicaragua to help prepare a peace document, the vice president stated.

[Castillo] The democratic Central American countries have been organizing and analyzing the preparation of a document that defines the concepts of what, in our opinion, Central America needs. We believe that Central America needs an authentic and pluralist democracy; a realistic internal policy which advocates and defends human rights, and -- above all -- the document will state what we want for Central America in the future. Such a document has never existed before in the Central American area. Consequently, we are not adopting a position that leaves anyone out.

Furthermore, we believe that a dialogue should be held by the five Central American countries. However, this dialogue should be based on some kind of agenda so that it proves fruitful. It should be an organized dialogue; we cannot just sit at a table and see what comes out of that meeting.

[Lemus] He also questioned how anyone can demand that El Salvador not be dependent if countries with the potential of Mexico and Venezuela are clearly dependent. Furthermore, if Europe is not entirely free of this scheme, why is Nicaragua praised when it depends to a significant degree of the Soviet Union? At any rate, our situation with the United States is entirely different. He also said that Deputy Communications Minister Roberto Viera's proposal to hold a public debate in Nicaragua was only an unofficial statement, an example, an alternative, and that the government does not have to reconsider anything. [end recording]

RIVERA Y DAMAS CONCLUDES 3-DAY VISIT TO MORAZAN

PA030319 (Clandestine) Radio Venceremos in Spanish to El Salvador 0022 GMT 3 Aug 86

[Text] Radio Venceremos now brings you a report on Msgr Arturo Rivera y Damas' 3-day visit to the northern area of Morazan Department. On Saturday afternoon Msgr Rivera y Damas concluded his visit to northern Morazan Department in his capacity as mediator in the process of dialogue and talks between the FMLN-FDR and Napoleon Duarte.

Msgr Rivera y Damas remained in this northern area of Morazan Department for 3 days and carried out many activities that included meetings with the residents of various municipalities in the department. Likewise, he was taken in a vehicle to briefly visit San Fernando, where he met with area residents.

Friday morning Msgr Rivera y Damas returned to Perquin where he was received by approximately 400 students of the local school. Later he met with residents of Morazan Department, from whom he received various petitions and testimonies on the situation of the civilians in this area. Later, Msgr Rivera y Damas met with Colonel Omar Napoleon Avalos, who is a prisoner of the FMLN.

On Saturday morning a mass was held in the Perquin public square that was attended by hundreds of residents of the area. The mass was officiated by Msgr Rivera y Damas, by [words indistinct] of San Francisco Gotera, and Father Miguel Ventura, who is conducting religious activities in this eastern part of the country. Later, Msgr Rivera y Damas met with Commanders Roberto Roca and Joaquin Villalobos, members of the FMLN General Command, and discussed the third round of dialogue and negotiations, for which Msgr Rivera y Damas is the mediator.

For 3 days Msgr Rivera y Damas remained in Morazan Department. His activities were all held in a normal manner. In our previous broadcasts, we reported that on Thursday and at noon on Saturday, the Army broke its promise of observing full guarantees so that Msgr Rivera y Damas could conduct his official mission in Morazan. Troops from Military Detachment No 4, commanded by Colonel Vargas, conducted some raids in the area of Meanguera, north of the Torola River. The Army raid in this area included artillery fire. Radio Venceremos reported this action at 1230 today and requested International Red Cross officials and the diplomatic corps urge the Army High Command and the Napoleon Duarte government to pull those troops out of there and stop the artillery fire so Msgr Rivera y Damas could leave [words indistinct] as Msgr Rivera y Damas would have to cross there.

As an interesting footnote to Msgr Rivera y Damas' visit, we would like to report that following this morning's mass at the Perquin plaza, Msgr Rivera y Damas visited a home in town where a woman who went to greet him had just given birth to a baby, who was baptized by Msgr Rivera y Damas. He also baptized many persons at the Perquin church.

On Saturday afternoon Msgr Rivera y Damas boarded his vehicle and left Perquin for San Francisco Gotera, and later for San Salvador. In this manner, he concluded his 3-day visit to the northern area of Morazan Department and his official mission as mediator in the possible third round of (?talks).

This has been a preliminary report by Radio Venceremos for our people on this visit by Msgr Rivera y Damas. We will give more details about this visit in our forthcoming broadcasts.

Briefs Duarte on FMLN Proposal

PA032009 Paris AFP in Spanish 1757 GMT 3 Aug 86

[Excerpts] San Salvador, 3 Aug (AFP) -- San Salvador Archbishop Arturo Rivera y Damas met with President Napoleon Duarte today to present a counterproposal from the guerrilla about the third national dialogue. This counterproposal has not been disclosed to the public yet.

Rivera y Damas made a 3-day trip to Perquin and San Fernando, towns in northern Morazan Department, to meet with top FMLN leaders. Upon his return to the capital, the archbishop met with Duarte to inform him of the result of his negotiations, which included long talks with Commanders Joaquin Villalobos and Roberto Roca and a visit to Colonel Omar Avalos, who was kidnapped by the guerrillas in October 1985 [passage omitted]

In principle, on 6 August, Rivera should announce the date and place for the third dialogue between the government and the Salvadoran guerrillas, which theoretically should be held this month, but it is not known if the rebels' counterproposal falls within this schedule. [passage omitted]

Col Vargas on Visit

PA021424 San Salvador Radio Cadena YSU in Spanish 1800 GMT 1 Aug 86

[By Carlos Mario Marquez]

[Text] Colonel Mauricio Ernesto Vargas, commander of Military Detachment No 4, headquartered in San Francisco Gotera, today reported that the archbishop of San Salvador is in the northern area of Morazan Department.

[Begin recording] [Vargas] I learned that Msgr Rivera y Damas had arrived in the capital of this district. I have no further information on this. I was told that it was a pastoral visit to the capital of this department. I have not been in contact with the archbishop. I was only told that he was here.

In the past 48 hours we have continued with the "Heroes of Joateca" operation. This is a permanent operation and the largest operation under way in the department. It is a protection operation. Yesterday, between 0630 and 0700, a clash with terrorists was reported north of Chilanga, south of Delicias de Yoloaiquin. As a result of the clash, three people were killed and three rifles were recovered.

This morning, between 0100 and 0200, another clash was reported in San Felipe and El Tablon, Sociedad jurisdiction. We have no details on this clash, but we did suffer the loss of three men. We are waiting for a report on this clash.

[Reporter] Do you have reports on casualties among the leftist forces?

[Vargas] The terrorists have suffered four casualties. These casualties were inflicted yesterday. We have no information regarding last night's clash.

[Reporter] Colonel, we have heard that Msgr Rivera y Damas will probably visit Colonel Avalos north of Perquin. Have you suspended military operations in that area because of the archbishop's visit?

[Vargas] The military operations are still going on. We do not have information about this visit to Perquin, but if it should become necessary to halt the operation so as to not endanger the talks, then we are willing to do it. We do not wish to hinder the talks between the two parties regarding Col Avalos.

[Reporter] Colonel, the guerrillas reported yesterday that after Msgr Rivera y Damas crossed the Torola River, your units clashed with a rebel column. Is this true?

[Vargas] As you know, the leftist versions are based on Marxist dialectics and disinformation. From the moment that Msgr Rivera y Damas crossed the river, our units have been on a permanent protection operation; to protect private property against the FMLN social destabilizers. At no moment... [changes thought] it is a way of propaganda to create confusion. They should have said that the clash in the areas of Chilanga and Yoloaiquin that resulted in the deaths of three terrorists and the recovery of three rifles occurred because they had been planning an ambush in that area. That was the road that Msgr Rivera y Damas was going to use. This is what they should be saying, because this is the truth. They should not create confusion for the people, international confusion. With their Marxist dialectics and with their propaganda, they are always trying to take advantage of situations that do not exist. [end recording]

Col Mauricio Ernesto Vargas added that the counterinsurgency operation continues in the northern areas of Morazan Department. However, an exception will be made in the area where Msgr Rivera y Damas is visiting.

FMLN CLAIMS 124 ARMY CASUALTIES IN PAST 3 MONTHS

PA011926 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Jul 86

[Text] Here we have a report from San Agustin Tres Calles on 3 months of the war of attrition against the criminal troops:

We inflicted 124 casualties on the puppet Army over the past 3 months. This occurred during the second phase of the Army operation in the San Agustin Tres Calles area in Usulután Department. The FMLN [word indistinct] fighters continue to fight and wear out the demoralized special troops of the Army [words indistinct].

The report notes that we have inflicted 124 casualties on the enemy troops in the San Agustin Tres Calles area over the past 3 months. In July alone we have inflicted 40 casualties on the army [words indistinct] a sergeant and a radio operator. Most of the casualties were inflicted by the people's weapons and the revolutionary mines.

GUATEMALA

CEREZO VIEWS STRIKES, GAM CHARGES, CONTADORA

PA020157 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 31 Jul 86

[Text] During a news conference today at the National Palace, President Vinicio Cerezo told reporters that striking doctors have strayed from the democratic path, because they are striking and not participating in the talks that are called for in this kind of conflict. Cerezo Arevalo invited the doctors to discuss their situation and that of the government to solve the problem. He told reporters that the decision by doctors from national hospitals to stage a general work stoppage beginning next Friday, should they not receive a favorable answer to wage increase demands, is an incorrect position. The doctors' actions will move the government to implement definite and vigorous measures that could lead to hiring other doctors as replacements, Cerezo Arevalo added.

The government today rejected the attitude of national hospital doctors, because it constitutes a kind of blackmail aimed at preventing negotiations in which practical and immediate solutions would abound. The president of the Republic said that although doctors do not belong to a professional field in which great salaries are earned, they do earn good salaries. I will not threaten or punish people because this would create problems and not contribute to the dialogue that the government wants to hold with the doctors.

Naturally however, Vinicio Cerezo said, we would implement measures to benefit the masses that are suffering the effects of the stoppages and that would suffer the effects of a general national hospital strike.

The president of the Republic mentioned the strikes of transporters and doctors at national hospitals as apart of an effort to destabilize the government, however, it is not possible to destabilize this government, Vinicio Cerezo said.

He focused his suspicions on the efforts of a political party; namely, the MLN [National Liberation Movement]. The government will try to confirm reports and rumors in this regard.

The government will carry out an in-depth investigation of the charges made by the Mutual Support Group [GAM], in particular by Mrs Nineth de Garcia on alleged abuses of rural families, and the threats, coercion, and other punishable actions that the peasants have been suffering. The government has learned about the most recent charges by Mrs Garcia, whom I respect very much; however, she makes so many accusations each day that they do not seem consistent to the government, President Cerezo said.

Regarding the GAM statements, President Cerezo told reporters that he is surprised that the GAM has said the Guatemalan Army is threatening GAM members and its followers. Cerezo promised to present a detailed report to the GAM on the results of his investigations on the charges. The government's response will be given directly to the representative and leader, Mrs Nineth de Garcia, the president said.

President Vinicio Cerezo said there currently exists an atmosphere of pessimism in the Contadora Group in the area of diplomacy. This is due to several reasons, among them the military aid to the Nicaraguan contras and the arms race that has recently been increased by the Nicaraguan Government, Cerezo added. Moreover, he said, a Central American parliament will be a new resource or initiative to strengthen the Contadora Group in its efforts to achieve the peace and cooperation of the Central American countries.

CEREZO ANNOUNCES WILLINGNESS TO TALK WITH BELIZE

PA011351 Panama City ACAN in Spanish 2200 GMT 31 Jul 86

[By Mario Rolando Sierra]

[Text] Guatemala City, 31 Jul (ACAN-EFE) -- President Vinicio Cerezo announced today that Guatemala will hold a direct dialogue with the prime minister of Belize for the first time since the former British colony gained its independence in 1981. In statements made at the Government Palace, Cerezo confirmed that Belizean Prime Minister Manuel Esquivel will arrive in Guatemala sometime in August at the head of a Belizean delegation.

The Guatemalan president said: "We will begin a dialogue and a discussion to seek solutions to the problem, which has two aspects that are very important for us: realism and honor." He added that during this meeting, they will discuss "realism as far as the situation of the (Belizean) people is concerned now, and honor as far as guaranteeing Guatemala's basic rights."

Belize, a territory measuring 22,000 sq km to the west of Guatemala, and which Guatemala claims, declared its independence from the British crown in 1981, but Guatemala has yet to recognize the new nation. Belize has approximately 150,000 inhabitants. Since 1963, Guatemala and Great Britain have not had diplomatic or consular relations in view of this conflict.

According to a recent broadcast by the official Radio Belize, Esquivel plans to request of Cerezo that Guatemala give up its claim to the former British colony and recognize its independence. However, the Christian Democratic leader said that "the Swiss diplomat representing Great Britain's interests in Guatemala will attend the dialogue with the Belizean mission." Cerezo emphasized that "in this manner there will not be a de facto recognition that is taken into consideration in international law."

The president added that "we will try to establish negotiations by means of the dialogue and discussion that will lead us -- the Belizean community and Guatemala -- to an agreement benefiting the region, which is what interests us." Cerezo emphasized that although the new constitution has abolished an article that terms Belize Guatemalan territory, Guatemala remains firm in its claim. The president also pointed out that his government decided to resume consular relations with the United Kingdom on 15 August.

Great Britain and Guatemala concluded an exchange of "notes," and "consular relations will be established, according to a decision that we adopted by sending a draft communique," the Guatemalan Christian Democratic president said. Guatemala accepted the diplomatic rapprochement requested by Great Britain last 8 May because there is a marked interest in receiving the benefits of the EEC, to which the United Kingdom belongs.

CEREZO REITERATES TRUST IN FOREIGN MINISTER

PA020302 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 1 Aug 86

[Text] President Vinicio Cerezo Arevalo has said that Foreign Minister Mario Quinonez Amezcuita is not only one of his main assistants, but is among those who have given the least number of problems. Therefore, he said, I see no reason to remove him from his post. This was President Cerezo's reply to those sectors that have been demanding Quinonez' dismissal, accusing him of lacking the ability to handle the country's international relations. As an example, they cited his handling of the vice presidents' meeting, in which the creation of a Central American parliament was to be discussed; however, the meeting could not be held.

FOREIGN MINISTER ON AREA MEETING, U.S. EMBASSY

PA020426 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 29 Jul 86

[Passages within quotation marks recorded]

[Text] On returning from attending a meeting of Central American foreign ministers in San Salvador, Foreign Minister Mario Quinonez Amezcuita said today that Guatemala will not form any bloc to isolate any country of the region.

The San Salvador meeting was held over the weekend behind closed doors and without any access to the press, something that led to reports about the possible organization of a bloc against Nicaragua, whose government was not represented in the talks. Nevertheless, both Salvadoran Foreign Minister Rodolfo Castillo Claramount and Guatemalan Foreign Minister Quinonez Amezcuita confirmed that in the ministerial meeting they discussed drafting a joint document on the Central American situation.

[Quinonez Amezcuita] "First of all I want to clarify once and for all that Guatemala will not form part of any bloc against any Central American country, whether that country is El Salvador, Nicaragua, Costa Rica, or Honduras. Guatemala will not form part of any bloc that seeks to isolate any country. However, this does not mean that Guatemala wants to be isolated from the rest of the Central American countries with which we have historically been united from the time of our independence and even before that. Now then, the basic reason why we went to talk with the Central American foreign ministers was that Guatemala is seeking a way to again promote discussions within Contadora about the problems still pending in the act and because we know that several Central American countries do not accept the latest text of the Contadora act."

The Guatemalan and Salvadoran presidents will meet in early August or possibly even sooner [as heard], the Guatemalan foreign minister said.

[Quinonez Amezquita] "One of the things I discussed with the Salvadoran foreign minister was that the Salvadoran president has invited the Guatemalan president to visit El Salvador, and the Guatemalan president has accepted the invitation. We will be making the visit and the only thing pending is the date. We might make the visit at end of August or at the beginning of September. We are just waiting to see whether the two presidents can change some previous commitments. If they can, then the Guatemalan president can go to El Salvador either at end of this month or early next month."

The foreign minister said that the U.S. Embassy has a right to carry out measures to protect its installations. Guinonez Amezquita was asked about protests by residents of Zone 10 over the barricades established by personnel of that embassy.

[Quinonez Amezquita] "Well, I am unaware of the details of what you are mentioning. When I have the opportunity I will speak with the U.S. ambassador. We will officially ask that he explain through a note what it was they did. Now then, regarding the security measures that the embassy might adopt, it has a right to do so. Otherwise, this would result in a very serious situation. Due to the Vienna Convention, Guatemala has the obligation to provide security to the embassies and not just to the United States. This is established by the Vienna Convention on diplomatic immunities that Guatemala has signed. Therefore, as long as the measures are adopted to safeguard the interests of each embassy and the neighbors and the public order situation are not affected, all the measures will be welcomed. Now then, I have heard that some neighbors have been complaining. They were complaining on last night's newscast. I will ask for a report to see if this is true. However, if the embassy adopts security measures, it has a right to do so. This also helps Guatemala because Guatemala has the obligation to protect the diplomatic missions."

VICE PRESIDENT LEAVES FOR BARCO INAUGURATION

PA032016 Panama City ACAN in Spanish 2004 GMT 3 Aug 86

[Text] Guatemala City, 3 Aug (ACAN-EFEO -- Guatemalan Vice President Roberto Carpio Nicole left for Bogota today to attend the inauguration of new Colombian President Virgilio Barco Vargas. Carpio Nicole and Foreign Minister Mario Quinonez Amezquita are members of an official Guatemalan Government delegation to Barco Vargas' inauguration, scheduled for tomorrow, Monday. [as received]

The Foreign Ministry reiterated today that President Vinicio Cerezo was unable to attend "because of prior commitments. However, he would have liked to attend because of the good relations existing between the two peoples and governments."

HONDURAS

HELICOPTER REPORTEDLY CARRYING AMERICANS CRASHES

PA222019 Paris AFP in Spanish 1927 GMT 2 Aug 86

[Text] Tegucigalpa, 2 Aug (AFP) -- A helicopter, supposedly of the Nicaraguan contras with two North Americans and four Miskitos aboard, crashed today near Tegucigalpa.

The Blackhawk helicopter, which can carry eight people, fell in a horizontal position on an empty lot near the Toncontin Airport from where the aircraft had taken off seconds earlier on a flight to Mosquitia.

According to the initial reports, a Miskito was gravely injured, but the other crew members were just slightly injured. The wounded were taken to an unidentified Tegucigalpa hospital.

The helicopter, painted with green camouflage paint and white blades, does not have a registration number of the Honduran Air Force, and an investigation agent said that it might belong to the FDN or to the Unity of the Nicaraguan Atlantic Coast Indigenous Peoples (KISAN).

A U.S. Embassy spokesman said that he does not know if the helicopter belongs to the United States, and he added that for the time being he does not have "any information."

On his part, Frank Arana, FDN spokesman in Tegucigalpa, said that his organization does not have helicopters of that type and only has smaller units.

AZCONA COMMENTS ON ECONOMIC CABINET

PA012351 Tegucigalpa Voz de Honduras Network in Spanish 1530 GMT 28 Jul 86

[Telephone interview given by President Jose Azcona to unidentified reporter; place not given -- live]

[Excerpts] [Reporter] Mr President, go ahead. We are listening.

[Azcona] Regarding the devaluation, our policy was defined as soon as we assumed the Presidency of the Republic. As a result of speculation caused by statements by the Congress president, the government issued a categorical statement approximately 10 days ago. In other words, the president does not have to speak on the radio to discuss his policy.

As for the other planning policies, I wish to tell Engineer Flores Facusse [Congress member] that even the COHEP [Honduran Council for Private Enterprise] was consulted on the economic development program. The COHEP and the U.S. Government approved it. We need not consult with the U.S. Government, but this is necessary to fulfill economic aid requirements for our recovery. [passage omitted]

We have serious problems in Honduras. We have an open economy, and problems with the prices of our export products ruin government plans and specific programs. That was the case with coffee. Everyone thought that coffee would solve all of Honduras' problems this year, but instead we faced a rude awakening when the price plummeted from \$280 to \$160 [unit of measurement not specified] in 1 and 1/2 months. Things like that would immediately change the plans of any government. Our economy is open and frail. That is why planning alone is not enough -- we must also implement daily measures. We need an agile administration, which I think this government is. We are not sluggish. [passage omitted]

Honduras must remain calm. The economic cabinet is handling all aspects of the economy. The president is briefed on a daily basis on the economic situation. After this month we will, for the first time in Honduras, issue a report on the status of the national budget, how much was spent in the past 7 months, how much our revenues were vis-a-vis the budget, the status of fiscal matters, and the balance of payments.

We do have goals and government plans. Of course, they will never satisfy my friend Carlos Flores Facusse [Azcona chuckles] because he did not draft them. Therefore, they would never meet his standards.

I appreciate his respect for me. I also respect him. He is an excellent parliamentarian, an intelligent politician, and a good professional, but that does not give him the right to think that others are not doing things right or that they are incapable. He thrives on criticizing our government's economic cabinet. I believe that the cabinet is made up by capable individuals who can find solutions to Honduran problems.

[Reporter] Mr President, we are really pleased that our station is the means to discuss these problems. The two of you are highly visible persons, especially you, due to your current position. However, the discussion of your differences amid an atmosphere of mutual respect constitutes a great civil lessons for all Hondurans.

Mr President, in the portion of the program during which we receive phone calls, we have noticed great respect and appreciation for you, especially now, early in your term. However, that is not the case with people surrounding you and especially the members of your economic cabinet. From your statements, we get the impression that you claim to have 100-percent support. Expectations of a Cabinet change, especially for those involved in economic matters, seem to be dissipating. Mr President, we would like to hear a confirmation of that. We want to know whether they deserve your full confidence. We want to know if there will be future changes to meet expectations and ease the anxiety regarding economic matters.

Economic cabinet changes in December would serve as the release valve expected by the Honduran people. This would help maintain the support, appreciation, and respect for you and your position. Appropriate changes in the Presidency, Finance, Economy, Health, and Education Ministries, which are the ones receiving the most complaints, would ensure this. This has a bearing on our nation's political and economic life. What can you say about this, Mr President?

[Azcona] Look, people insist on changes. I will tell you one thing: The ministers are working. I do not work alone; I also make others work. They are working, and the team is doing well, there are no problems or clashes. Of course, there are differences, and they are vented in lengthy discussions. I can say that I am not planning to make Cabinet changes in December.

[Reporter] Mr President, the issue is not the respect and the solidarity that you mentioned and that are part of a president's relationship with his Cabinet. At this radio station we have detected a dissatisfaction of the Honduran people with ministers who are not talented and intelligent, which is what is needed to solve Honduran problems.

[Azcona] But why do you say that they lack talent and intelligence?

[Reporter] Well, ah...

[Azcona, interrupting] [Words indistinct] minister who is brilliant and talented. There is no doubt that she is Honduras' most capable woman in the education field. She is working. She has shortcomings; everyone has shortcomings. We will not find ministers without any shortcomings and faults. There is no school where you can learn how to be a minister. They have university degrees, but I do not know of any school offering a master's degree in becoming a minister.

[Reporter] Mr President, what about the deputy education minister who admitted on our program to being a goldbrick?

[Azcona] The deputy education minister had a lapse; a dumbmental lapse, if you will. He is an economist who wanted to be facetious by saying that he seldom goes to his office. However, there have been important Honduran politicians who earned salaries at the Central District's Metropolitan Council without even having an office there. That official does have an office there and works there. Perhaps what he meant is that he has been too active in politics and has not complied with his 8-hour workday. I would not blame him, but rather his boss for permitting this. I will not allow that in my government. People must work at least 8 hours in my government. There are ministers who work 12-14 hours. When there are meetings they work nonstop for 16-18 hours. You can be completely sure that I will not allow goldbricks in my government, much less in top positions. In sum, too much emphasis has been placed on those issues that are really not as important as some people think.

JUSTICE MINISTER ON NICARAGUAN ICJ SUIT

PA021730 Tegucigalpa EL HERALDO in Spanish 30 Jul 86 p 3

[Text] Government and Justice Minister Raul Elvir Colindres has said that by filing a suit against Honduras at the International Court of Justice [ICJ] in The Hague, Nicaragua is seeking to internationally discredit Honduras. He added that this action "is just propaganda for the current Nicaraguan regime, which is trying to resolve its domestic problems this way."

The Honduran official said that the Sandinist government should summon the dissidents as is customary in these cases to resolve its domestic problems, since by accusing Honduras it is only worsening the situation.

Elvir Colindres said that as long as the Nicaraguan problem continues, we must continue enduring the Nicaraguan's "flight" into our country, since it has been proven that the Catholic Church and the people are being persecuted as can be seen with the closing of the newspaper LA PRENSA.

Regarding the fact that Honduras will have to face two suits in the ICJ, one filed by the El Salvador Government and the other by the Nicaraguan Government, the official remarked that these suits will have to be treated separately because they involve two different problems.

Afterward, he noted that it is highly unlikely that the two suits will be handled at the same time because one must ask for a hearing on each problem.

NICARAGUA

ORTEGA HOLDS NEWS CONFERENCE AFTER U.S. TRIP

PA040257 Managua Domestic Service in Spanish 0141 GMT 4 Aug 86

[News conference given by President Daniel Ortega at the offices of BARRICADA newspaper in Managua on 3 August -- live or recorded]

[Text] [Ortega] We saw how BARRICADA's machinery works; we have seen it in operation. Well, I first wanted to greet the Nicaraguan people upon our return from the United Nations and a brief but thorough tour of some cities in the United States. Our basic goal on this occasion was to bring Nicaragua's message to the UN Security Council and to seek a resolution.

We think that the results, the efforts in support of international legal norms and in favor of respect for the laws attained positive results, and this was proved by the votes cast at the Security Council and the unanimity that prevailed at the United Nations about the clear, serene, and constructive manner in which Nicaragua's statement was presented.

Following our activities at the United Nations, which -- as we said -- were our main goal, we received some invitations, and we had the opportunity to hold a number of meetings right there in New York with church groups; editorial councils from the most important U.S. news media -- newspapers, magazines, and television stations -- and solidarity groups. We also received an invitation from the solidarity group in Denver, and we also had the opportunity to meet with the National Bar Association, which is mainly comprised of black lawyers, because the association was formed at a time when there was discrimination in the United States, and the black lawyers were forced to form their own group.

The meeting in Denver, Colorado, was very important, given that National Guard has departed from there -- under the people's protests -- for Honduras, where they have been participating in all the military plans the United States has been carrying out against Nicaragua. Likewise, a zone exists where the FDN mercenary troops are trained; this is well known and has been reported on many occasions.

While in Denver we met with the Bar Association, and we learned about a resolution issued by the association, supporting the ruling issued by the International Court of Justice and demanding that the U.S. Government abide by that ruling. We had the opportunity to address the lawyers there and, of course, to exchange viewpoints with them. We also had the opportunity to clarify certain things that are viewed differently from abroad because they have been manipulated by the campaigns of news media which want to damage our country's image and create confusion.

We also had the opportunity to hold a very confrontational meeting at the University of Colorado at Denver -- where the premises were filled to overflowing -- because there was a minority group present of U.S. citizens who support the U.S. Administration's policy, while the great majority of those attending the meeting were against the U.S. Administration's policy. FDN members also attended; the Nicaraguans who act as instruments of the aggression. Many of them are former Somozists who fled after the victory of the revolution. They all participated in what could be described as a very lively "Face the People." Different viewpoints were discussed there, of course; some were totally opposed to others. We had the opportunity to defend the just positions of the Nicaraguan revolution.

However, the most interesting of all the meetings I held with the U.S. people was held right there in Denver, precisely because these FDN groups were there, along with U.S. groups that have fundamentalist positions against the Nicaraguan revolution and support the U.S. Administration's policy against Nicaragua. This was a minority group, to be honest -- some 30 to 40 persons, adding together the Americans and the FDN members who attended the event -- and following a strong, clear, very strong exchange with the FDN members -- who mostly issued insults, instead of statements -- I asked all those gathered there which of them oppose the U.S. invasion of Nicaragua.

I explained to them that there has been a tendency toward a direct involvement of U.S. troops in Nicaragua and an (?escalation) of the conflict since the \$100 million was approved. Then I asked who of those gathered there oppose this invasion. The majority of those present raised their hands. At my next question -- who favors this invasion? -- I expected the FDN members and the U.S. people who have assumed a violent stance against the revolution to raise their hands.

I made my calculations and estimated that if the majority of those present raised their hands against the invasion, perhaps 30 or 40 would raise their hands in favor of the invasion. But when I asked who agrees with an invasion, a surprising thing occurred: Nobody raised his hand. Everybody looked to see who would raise his hand, but no one did.

I feel this was the most important event of that meeting with the U.S. people, which included various Hispanic community members, FDN members, and those Americans who advocate fundamentalist, black and white solutions. It is interesting to note that an agreement occurred there. Although our stances were even antagonistic, when we mentioned the invasion a convergence occurred. Nobody agreed with an invasion against Nicaragua. The FDN people dared not raise their hands. [Words indistinct] they dared not because this would irritate the U.S. people. According to the latest survey in the United States, a majority of the people oppose the current U.S. Administration's policy toward Central America. I was really impressed by this fact, namely that, despite the great conflicts, we share a common view: We oppose an intervention by U.S. troops in Nicaragua. We all must prevent this.

This was recorded by television stations. [Words indistinct] will be broadcast over the television due to the strong verbal confrontation and the insults voiced by the FDN people. We tried to answer in the context of what the experience of the "Face the People" programs have taught us.

Then we moved on to Chicago. (?Some days prior to that), we had been visited in New York by the Reverend Jesse Jackson, who had invited me to visit Chicago. An important meeting was held there. I share the moral struggle promoted by the Reverend Jackson against apartheid, drugs, injustice, and aggression in Central America. So we moved to Chicago. Ours was a very exceptional meeting there, including songs, music, and the Christian spirit of those gathered there. Solidarity with the Nicaraguan people was again expressed during this meeting. [Words indistinct] this tour with what is known as the Chicago proposal. We mentioned the eight points that have already been reported here. It is now up to the parties involved to respond to this proposal made by Nicaragua. This is a constructive initiative. This is an initiative for peace, as are all the initiatives that Nicaragua has presented during all these years. In other words, we went to the United States with a constructive stance to try to make the United States understand that a negotiated solution is necessary. [1-minute break in reception]

We can say that this trip to the United Nations and the tour through U.S. cities -- such as New York, Denver, Colorado, and Chicago -- has been very positive because we have had the opportunity to have direct contact with the U.S. people. In Denver, the lawyers issued a statement demanding that the U.S. Government abide by the decision of the The Hague International Court of Justice. This was unanimously approved by the lawyers during their meeting.

I noticed a very interesting occurrence for the first time. I have visited New York and the United Nations practically every year. At one time, I toured (?several) U.S. cities. In general, I have observed the U.S. people's sympathy during the events organized by those who identify with us, namely, religious and intellectual people, etc. In the streets, however, I have always observed hostility or indifference. For instance, if we attended a meeting of the editorial staff of a newspaper, the police would stop the pedestrian traffic for security reasons. The people would stay and look on, but they made no comments. This was our past experience. Now, we have experienced an entirely different situation. Wherever we arrived, both the people who identify with us and those who are not ideologically identified with the Nicaraguan revolution openly expressed their sympathy toward Nicaragua. We are really impressed by this.

In New York, wherever we visited, when we walked through the streets, the people greeted us and expressed love for Nicaragua by saying: We are friends of Nicaragua, we want to be friends of Nicaragua. This was the kind of greeting that the U.S. people repeated often.

I cannot tell you how many people greeted us while we were there or how many signs of affection we received, because these were daily occurrences. I can, however, tell you the number of hostile attitudes we encountered. I would say there were approximately four to six people in New York who expressed hostility and voiced insults. They stood in contrast to the feelings of the majority, which expressed affection toward Nicaragua and which was also concerned over the [word indistinct] and risk of becoming directly involved in a war that would lead to the deaths of Americans in Nicaragua. This attitude was repeated in Denver and Chicago, because besides our activities, we walked the streets, and this is where we found the affection of the American people. People in cars would stop to greet us, to [word indistinct] Nicaragua, to identify with Nicaragua. For us it was new to see the ordinary American citizens expressing themselves in favor of Nicaragua, sympathizing with Nicaragua.

It is undeniable that there are very controversial topics in the U.S. press, such as the LA PRENSA case, the Bishop Vega case, which are among the most debated issues. [Passage indistinct] an issue the American people are interested in, and Reverend Jesse Jackson made the following point: We are looking at the situation through a single lens. At this time we are stressing one issue and forgetting about the other issues. We are looking at one issue, through one lens; it is the issue of South Africa. This is correct and fair, but we cannot forget that only a few kilometers from here there are already 100,000 victims; 60,000 in El Salvador and more than 30,000 in Nicaragua. Therefore, we must look at the situation through bifocals. We must look at South Africa, and we must look at Central America.

We feel that Reverend Jackson's call is very important because we must struggle for the South African people's liberation, but we must also avoid a new Vietnam in Central America, which is what the current U.S. Government policy is leading up to.

We took advantage of the occasion to acknowledge the gesture made by the U.S. Government and President Reagan in not imposing any restrictions whatsoever on us. We thanked him for this. [Words indistinct] this program did not exist for Denver or for Chicago. [Passage indistinct] along the way we visited these other cities, and there were no restrictions. While there, we met with the people and discussed various subjects with them. We consider this a positive gesture on the part of the U.S. Government and President Reagan for this. We also invited him to Nicaragua and told him that while here he would also be allowed to meet with all of the sectors he cared to meet with, to talk with the Nicaraguan people, and to find out about Nicaragua's reality.

Some sectors emphasized that we were using the U.S. media with a certain freedom. I explained that the meetings we held were very important, [words indistinct] the liberty to report on them. However, the reports published depended on the journalists. [Words indistinct] if President Reagan accepts our invitation to come to Nicaragua, he would have one advantage over our situation during our visit to the United States, because in Nicaragua he would have a direct broadcast of his talks with the people on television and radio. This would be broadcast much faster than reports come to Nicaragua when I hold meetings in the United States. Nevertheless, during the days that we were there, there was a great deal of coverage of the debates, of the topics discussed at the meetings. The American television networks and radio stations offered good coverage, and we must admit this.

[Reporter] Could you explain to the people what happened at the UN Security Council? The United States [words indistinct] resolution to explain what step would be adopted? Could you explain?

[Ortega] That is a juridical and moral battle. The fact that the United States cast a veto, exposes the government before the international opinion, and before its own people, because it is rejecting an international court. However, the United States has not officially rejected the International Court of Justice [ICJ] decision. This is why we did not make any demands. We supported the court's decision. This will serve as a base if we should again appeal to the Security Council or to the General Assembly, which is the highest UN body to discuss this type of situation.

HELICOPTER CRASH REPORTEDLY INJURES 3 U.S. SOLDIERS

PA021837 Managua Domestic Service in Spanish 1726 GMT 2 Aug 86

[Text] [Reporter] We have established contact with Tegucigalpa, Honduras, to provide information about a helicopter that, according to initial reports, has crashed in the Miraflores neighborhood of Tegucigalpa. We have Antonia Martinez, information chief of the newspaper LA TRIBUNA of Honduras, who will tell us where and when the helicopter crashed and how many casualties it caused. Go ahead, Companera Antonia Martinez in Tegucigalpa:

[Begin relay] [Martinez] It was about 0800 when the helicopter had the accident [words indistinct] the rains.

[Reporter] Does the helicopter belong to the Honduran Army or to another organization, or does it belong to another government?

[Martinez] It is of the United States, of (?Big Pine) [words indistinct].

[Reporter] Did it fall on some house?

[Martinez] It fell on a field [words indistinct].

[Reporter] How many soldiers were injured?

[Martinez] Three.

[Reporter] Are they Hondurans? What nationality were the soldiers in the helicopter?

[Martinez] They were foreigners.

[Reporter] Were they Latin American? Brown, white, maybe you know something about that?

[Martinez] They were [words indistinct].

[Reporter] At what time was it? Repeat the hour.

[Martinez] At (?0800).

[Reporter] At 0800. Well, companera, what type of injuries were there, and what is the condition of the helicopter?

[Martinez] The helicopter supposedly suffered a mechanical malfunction. One of the passengers had the right arm injured. Another suffered fractures in the left leg and the back. The other [words indistinct].

[Reporter] In what mission of the "Big Pine" maneuvers were these U.S. soldiers who were aboard this helicopter, which is not Honduran?

[Martinez] It is said that the helicopter was coming from San Pedro to Tegucigalpa.

[Reporter] Were they carrying some type of weapons? What were they carrying?

[Martinez] (?It was a) routine operation.

[Reporter] Is the helicopter big or small?

[Martinez] It is small.

[Reporter] In what hospital are those North Americans?

[Martinez] They were taken to the Escuela Hospital.

[Reporter] Do you have the names of the North Americans involved in the accident?

[Martinez] No, we do not.

[Reporter] Well, can we get in touch with you again? What does the government say? Is there any official communique?

[Martinez] No, not yet.

[Reporter] Haven't they announced any official communique?

[Martinez] Not yet. [end relay]

[Reporter] This has been a quick and brief report by Voz de Nicaragua in a direct contact with Tegucigalpa regarding a U.S. Air Force helicopter that crashed near or in Miraflores neighborhood in Tegucigalpa, Honduras. We will continue to give further details about this aircraft accident in the Honduran capital, about the U.S. Air Force helicopter accident that injured three people who were hospitalized in the Escuela Hospital in Tegucigalpa.

TORRES: MARINES TO 'HANG' IF U.S. INVADES

PA012310 Managua Radio Sandino in Spanish 0000 GMT 31 Jul 86

[Text] There will not be enough trees in Nicaragua from which to hang any Marines [preceding word in English] who dare to invade us, Brigade Commander Hugo Torres, chief of the EPS Political Directorate, said today in Apanas, Region 6, where he presided over a ceremony to demobilize youths of the Julio Buitrago unit.

In addressing the recently demobilized troops, who served in various Battalions for Unconventional Warfare, BLI's, Commander Torres discussed the crushing defeat that the counterrevolution is sustaining on all fronts.

[Begin Torres recording] The Yankees still do not understand why we are so proud. The Yankees still do not understand why we are willing to sell our lives at a very high price when it comes to defending our country and revolution. The Yankees will come if, defying the International Court of Justice's ruling, the UN Security Council, nonaligned countries in Latin America and Europe, and the sensible peoples and governments of the world, they decide to launch their invasion. They will still not understand when their Marines begin to fall; or perhaps they will understand after it is too late and after having to pay a high price politically, morally, and in terms of human lives.

There will not be enough trees or lampposts in Nicaragua from which to hang the Marines if they dare enter our country. [end recording]

CUADRA SAYS CONTRAS 'STRATEGICALLY DEFEATED'

PA030430 Managua Radio Sandino in Spanish 1930 GMT 2 Aug 86

[Text] Deputy Defense Minister Joaquin Cuadra Lacayo has said that the counterrevolution is strategically and irreversibly defeated due to the strengthening of the people's revolution and the EPS actions. He added that not only has the enemy been unable to develop offensive plans in the countryside, but it has also been unable to recover from the blows it has received or to stop its disadvantageous withdrawal to more inhospitable regions.

The chief of the EPS High Command appeared on television and said that during the first 6 months of this year 2,745 counterrevolutionaries were killed in fighting, and 300 were captured. Cuadra Lacayo said that since they have lost to a great extent their social base because of these casualties, they were only able to replace 251 men, many of them recruited by force after violent kidnappings. Commander Cuadra Lacayo commented that in view of this circumstance, the U.S. Congress decision to grant another \$110 million to the contras means a greater commitment by Washington in the aggression against Nicaragua. Undoubtedly, he said, the counterrevolution will now have new weapons and military communications equipment, but nothing will stop their defeat.

USSR DONATES LARGE QUANTITY OF WHEAT, RICE

PA021949 Managua Radio Sandino in Spanish 1200 GMT 2 Aug 86

[Text] Large food donations are coming from the Soviet Union to support Nicaragua in view of the crisis of the lack of staple products such as rice and wheat. The Soviet Union Government donated 1.1 million quintals of wheat and over 500,000 quintals of rice. (Yuriy Rosentov), charge d'affaires of the Soviet Embassy in Managua, said that the USSR workers made this effort so that Nicaraguan workers will not go without staple products, although there is a war raging in this country's most productive zones.

For that reason, since May Soviet vessels have often been seen entering our Pacific coast to unload foodstuffs and agricultural machinery, which serve to reinforce our economy's primary activity.

AMBASSADORS TO BRASILIA, HAVANA APPROVED

PA030439 Havana International Service in Spanish 2300 GMT 1 Aug 86

[Text] The Brazilian Government has confirmed its approval of the appointment of Jorge Bolanos, Cuban deputy foreign minister, as the new Cuban ambassador to Brazil. At the same time, the Brazilian Foreign Ministry has reported that Cuba has approved the appointment of Italo Zappa as new Brazilian ambassador to Cuba.

Zappa, current Brazilian ambassador to the PRC, has been described as the architect of Brazil's policy of friendship with Portuguese-speaking African countries. He is also one of the most prominent Brazilian diplomats. Cuba and Brazil renewed their diplomatic relations in June. These relations had been broken off in 1964 by the military regime that overthrew President Joao Guoulart.

RODRIGUEZ MEETS WITH FRG GREEN PARTY DELEGATION

FL011336 Havana Radio Progreso Network in Spanish 1100 GMT 1 Aug 86

[Text] Carlos Rafael Rodriguez, Politburo member and Vice President of the Councils of State and Ministers, has received a delegation from the FRG Green Party composed of Mrs Jutta Dittfurth, party president, and Mr (Manfred Chiaerans).

The meeting was held in a fraternal atmosphere. Subjects related to politics in Latin America, problems caused by the foreign debt, and the Green Party's struggles in the FRG were discussed.

MORE ON NEW SATELLITE TELEVISION TRANSMISSIONS

PA020415 Havana International Service in Spanish 2300 GMT 1 Aug 86

[Report by Ezequiel Perez Martin]

[Text] Cuban television has begun to transmit via satellite. Since 26 July at 1800, on Friday, Saturday, and Sunday, Cuba has been transmitting its best movies and television programs in the fields of culture, sports, and news. Recently Danilo Cirio, director of the new Cuban television channel, discussed this new undertaking aimed at guaranteeing better quality transmissions. This is possible thanks to an agreement with the Intersputnik International System. Cuba is a member of this system.

[Begin Cirio recording] In this early phase, and through late December, we will transmit only on weekends. We will transmit on Friday, Saturday, and Sunday beginning at 1800. When the time changes we will transmit at 1700 instead of 1800. We change because GMT does not. Thus, we will change our transmitting times. So instead of transmitting at 1800 we will transmit at 1700. We will be on the air for no less than 3 hours. The channel may be able to transmit a little over 3 hours, but in this early phase it will be approximately 3 hours. [end recording]

The new Cuban television signal can be picked up along the North American Atlantic coast, in Central and South America, and in Mexico -- especially on the eastern coast -- and it will also be picked up in Europe and Africa.

In the beginning the channel will transmit 3 hours a day on Friday, Saturday, and Sunday. In a few months this will change.

[Begin Cirio recording] Next year, beginning in January, we will expand our hours of transmission. Little by little we will expand until we are transmitting every day of the week. This will be done slowly. We will expand until we are transmitting 8 hours a day. [end recording]

Other than improving the quality of Cuban television -- the reason Cuba took this important step -- we now have the opportunity to reach Cuban internationalists, students, and diplomats abroad, and they will have the opportunity to enjoy the best programs of the two Cuban television channels. This new channel's programs will be based on a selection of the best of Cuba's national production. This will also allow all of Cuba's friends abroad and those interested in viewing our programs to tune in. The channel transmits on 3.775 ghz, video channel, and 7.5 mhz for audio. To tune in you will need a satellite receiver with variable audio tuning.

FOREIGN SECRETARIAT DENIES LIBYAN CONNECTION

FL021328 Santo Domingo Radio Antillas Network in Spanish 1000 GMT 2 Aug 86

[Text] The Dominican Republic has no diplomatic representatives to the Libyan Government. The clarification was made in response to a U.S. Department of State report which indicated that Libya was supplying financial aid to Dominican guerrilla groups through its diplomatic delegations. (?This) week the Protocol Department of the Foreign Secretariat reported that General [as heard] Mu'ammarr al-Qadhdhafi has no Libyan representatives in the Dominican Republic.

In a press release yesterday, the Dominican Republic was listed as 1 of 32 countries where Libya has trained or armed guerrilla groups or used diplomatic delegations to spread its influence. The Foreign Secretariat's statement denies the U.S. accusation that there are Libyan representatives in the country.

The press release issued in Washington accused Libya of using religious (?and Islamic) temples as fronts to hide its ties with guerrillas.

JORGE NAMES DELEGATION FOR BARCO INAUGURATION

PA021416 Hamburg DPA in Spanish 0237 GMT 1 Aug 86

[Text] Santo Domingo, 21 Jul (DPA) -- Manuel Beres Chupani, president of the Supreme Court of Justice, will head the Dominican delegation attending the inauguration of the new Colombian president, Virgilio Barco Vargas.

The other members of the delegation will be Homero Hernandez Almanzar, deputy foreign minister, and Rafael Valera Benitez, ambassador extraordinaire and plenipotentiary to Colombia.

President Salvador Jorge Blanco announced the appointment of the delegation in an executive decree. Barco Vargas will be sworn in on 19 August [date as received], 3 days after Dominican President-elect Joaquín Balaguer assumes power.

It has been announced that the various events on the occasion of Balaguer's swearing in will begin on 14 August and end on 17 August.

BARBADOSGUATEMALAN AMBASSADOR CONCLUDES TRADE TALKS

FL011633 Bridgetown CANA in English 1527 GMT 1 Aug 86

[Text] Bridgetown, Barbados, July 31, CANA -- Guatemala and Barbados rounded off three days of talks here today, designed to explore possibilities of commercial and diplomatic relations.

Guatemalan ambassador to Venezuela, Miriam Cabrera Passarelli, left for Caracas today after talks with Foreign Minister J Cameron Tundo about the prospects for such ties.

Ms. Cabrera Passarelli said afterwards no final agreement had been reached, and that her exploratory talks will be followed up in Guatemala City in September when Senator Tudor leads the Barbados delegation to the Organisation of American States (OAS) General Assembly being held there.

The Guatemalan envoy disclosed that Caribbean Air Cargo (Caricargo) and Guatemala's national airline Aviateca, have begun discussions about possible collaboration. We are interested in opening commercial relations. Caricargo company is having contacts with Aviateca...so they can get together covering North America, South America and the Caribbean, she said.

Caricargo is an all-cargo airline company, owned jointly by Barbados and Trinidad and Tobago. The airline operates long-haul Boeing 707 jets between points in the Caribbean and U.S. cities, including Miami. Caricargo also operates smaller aircraft in its services to the neighbouring islands of the area.

Ms Cabrera Passarelli described her visit to Barbados as purely exploratory. I came just to make an approach...to open relations with Barbados. We are interested in commercial relations. She said no firm agreements were reached, but Barbados can recognise Guatemala's interest in opening relations both with Barbados and other countries of the Caribbean region. She indicated this was one of the results of the changeover to civil, democratic rule in Guatemala earlier this year, after nearly 30 years of military rule.

...Now that we have a democratic, popular government...the elections were clean...we are now open to the world, Ms Cabrera Passarelli added.

GRENADACUBAN-TRAINED PROFESSIONALS RETURN TO SERVE

FL011641 Bridgetown CANA in English 1515 GMT 1 Aug 86

[Text] Bridgetown, Barbados, July 31, CANA -- The first batch of Grenadians, who went to Cuba to be trained as doctors, has returned home after studying in Havana for the past seven years.

Ten of the medics, among them Bowen Louison, younger brother of former People's Revolutionary Government [PRG] agriculture minister George Louison, passed through Barbados yesterday when they arrived here on the fortnightly Cubana Airlines flight to the Caribbean.

Mr Bowen told CANA that we are all anxious about going back home and to be of service to our country. We are grateful to the government and people of Cuba for their assistance in making it possible for us to be professionally qualified in various fields of study...

Altogether, some forty Grenadians, including the ten doctors, graduated last month in various disciplines and they should all be back home, according to Louison, within the next two weeks.

Among the graduates are three dentists, civil and industrial engineers, and a veterinary surgeon.

This most recent batch of Grenadians to have graduated in Cuba, were among the early students sent by the then PRG of Prime Minister Maurice Bishop to Cuban universities and medium-level institutions.

Following the election in December 1984 of the new national party government of Prime Minister Herbert Blaize, a decision was taken to approach the university of West Indies (UWI) for an evaluation and ratification of the syllabuses of the Grenadians who studied in Cuba and who wished to be employed at home.

The UWI has since informed the Blaize government of its evaluation, concluding that the degree courses offered by Cuban universities were even more intensive than courses offered by the UWI.

The UWI's report also commended the medium level courses and, in a general observation, said that the Cuban universities are highly admissable, both by North American and European universities...

Mr Bowen said that in view of the need for skilled Grenadians in Grenada, he and his colleagues were hoping that with the clearance from the UWI, there will be no obstacles placed in our way by the Grenada Government to be usefully employed in our own country.

JAMAICA

MANLEY TAKES MEASURES TO AVOID VIOLENCE

FL011624 Bridgetown CANA in English 1559 GMT 1 Aug 86

[Text] Kingston, Jamaica, August 1, CANA -- Leader of Jamaica's main opposition People's National Party, Michael Manley, has ordered a cancellation of victory celebrations in a bid to put the lid on scattered political violence which followed the PNP's landslide win in Tuesday's municipal elections.

He also announced postponement of a strategy session planned for today involving elected councillors and senior party officials so that local party officials could remain in their ridings and encourage supporters to avoid political conflict.

Both Manley and Prime Minister Edward Seaga have made national appeals for peace and said reports of violence were hurting the country's image abroad.

I ...call on Jamaicans to put aside all divisive thoughts and provocative action, Seaga said in a television broadcast last night.

Earlier, Manley had called on Jamaicans to accept victory with humility and accept defeat with grace.

Police said there were no reports of disturbances today. However, they reported that at least four persons had died in the sporadic violence that broke out during Tuesday's elections.

At least six persons were injured by gunshots.

Six houses were burnt in the south central parish of Clarendon and in St Catherine, west of the capital, where there were disturbances yesterday.

Police said in the St Catherine capital, Spanish Town, a woman, branded a PNP supporter, was taken from her home, stoned to death and her house burnt.

There were also skirmishes between rival factions and a number of families were reported to have moved on the threat of being burnt out.

Police said up to last night, 38 persons had been detained and a number of others arrested since Tuesday in connection with the disturbances, confined mainly to a few historically polarised and volatile communities.

Tuesday's poll fanned passions unusual for a municipal election because it spanned national issues.

The PNP turned the poll into a referendum on the Seaga government which has held power since 1980, implementing International Monetary Fund-inspired austerity programmes.

In a news broadcast last night, Seaga warned that the government would not hesitate to take all the necessary steps within the law to maintain peace and order.

Both he and Manley stressed the economic damage that could be done to Jamaica by violence.

This can only hurt our tourist industry and frighten new investors, Manley declared.

The PNP is estimated to have won 57 per cent of the 60 per cent voter turnout and appeared set to control at least 11 of the 13 local government authorities.

BOUTERSE DISCLOSES FOILED 'INVASION' PLAN

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[Text] Paramaribo, Suriname, 31 Jul (AFP) -- Surinamese chief of state Desi Bouterse today disclosed the details of an invasion plan against Suriname which was prepared "by foreign forces." The plan was thwarted with the detention of 14 mercenaries who were leaving the United States.

Bouterse analyzed the current political situation before the 25 February Movement, which under his leadership seized power on that date in 1980 by overthrowing the government of Henck Arron.

Bouterse, who 2 weeks ago began a period of democratic transition with the appointment of an executive Cabinet made up of civilians from political parties, unions, and the business sector, said that the invasion plan began with an attack on the Albina military camp located on the border with French Guyana.

The FBI arrested 14 mercenaries in New Orleans who were en route to Suriname to overthrow the government.

Bouterse said that according to the initial plan, the mercenaries were to arrive at the Zanderij International Airport on 21 July, meanwhile an attack would be staged at the Albina military camp to distract the Armed Forces' attention.

According to the official sources, the mercenaries were not going to arrive in Suriname as an armed group. They would pretend to be businessmen who would sign a \$300-million loan previously agreed to with Finance Minister Wim Udenhout and other senior officials. The contract was to be signed by Tom Lynn Denley (arrested in the United States under charges of trying to overthrow a foreign government by force) and by Bouterse in the Presidential Palace.

However, Bouterse decided that the contract would be signed on 28 July and not 21 July as originally planned.

Bouterse said that those who tried to occupy the Albina camp would try to declare the district of Marowijne a "liberated territory," with its own flag. He said that Albina airport would be used as an airbridge by the invaders, who according to a communique issued by Brunswijk and broadcast on television, are struggling "against Bouterse's criminal regime."

Bouterse added that this invasion system is always used against the countries that experience a revolutionary process. In addition, he mentioned the role played by the Netherlands Embassy in helping Brunswijk escape to the Netherlands Antilles last June. He added that the expulsion of Netherlands journalist Erick Klipp on 8 July should also be considered in that sense.

According to the investigations, Klipp got a false passport for Brunswijk, with which he was able to escape to the Netherlands Antilles. He was then expelled by the government to French Guyana, from where he began an attack against the Albina camp.